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IRAN-CONTRA INVESTIGATION

JOINT HEARINGS

BEFORE THE

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

AND THE

HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN

ONE HUNDREDTH CONGRESS

FIRST SESSION

100–7

Part II

JULY 10, 13, AND 14, 1987

CONTINUED TESTIMONY OF OLIVER L. NORTH AND ROBERT C. McFARLANE
(Questioning by Members)

Printed for the use of the Select Committees on the Iran-Contra Investigation

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SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

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JULY 7, 8, 9, AND 10, 1987

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APPENDIX C: PREPARED STATEMENT

Oliver L. North 1636

JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

Continued Testimony of Oliver L. North (Questioning by Members)

FRIDAY, JULY 10, 1987

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
AND
HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN,
Washington, DC.

The Select Committees reconvened after a 10-minute recess, in room 325, Russel Senate Office Building, Hon. Daniel K. Inouye (chairman of the Senate Select Committee) and Hon. Lee H. Hamilton (chairman of the House Select Committee) presiding.

Chairman INOUYE. The hearing will please come to order.

The Chair recognizes Chairman Hamilton.

CONTINUED TESTIMONY OF OLIVER L. NORTH

Chairman HAMILTON. I recognize Mr. Jenkins to begin one hour of questioning.

Mr. JENKINS. Thank you, Mr. Chairman.

Colonel North, I know you have been here for a long, long time, and I will try to keep my questions very, very short. Maybe I will not use the entire time.

Let me say in the beginning that with an issue like this, I am sure there will be many repetitive questions, and I want to apologize in advance because I know you will have answered some of them, but I want to get the picture in my mind so that I fully understand, as best I can, from your testimony as to what actually occurred.

Before I ask you a question, as one Democrat—as you probably know, I have always supported Contra aid.

Mr. NORTH. Yes, sir, and I'm sure that they are grateful for that. I am.

Mr. JENKINS. I wanted to, as I know that you already knew that. Nevertheless there are many areas in this entire episode that greatly disturb me.

Mr. NORTH. I understand that, sir.

Mr. JENKINS. And I am going to pick right up where—on the same subject matter, really, that you have answered many, many

questions, because I want to know in my own mind what really occurred.

In the Enterprise that—Secord, I believe, calls it an Enterprise—I want to go back for you to explain once again how Secord and Hakim were first brought into the picture.

Mr. NORTH. My recollection, Congressman Jenkins, is that in the early days of 1984 when we saw the money running out, we had a number of discussions within the administration as to what the alternatives were, and my recollection is that the first person to suggest General Secord was Director Casey, as a person who could, acting outside of the Government of the United States, provide assistance, relying on his abilities that he had demonstrated while on active duty, his experience with covert operations, and his connections throughout the world, having come from a Pentagon job where he had that kind of a background where he had contacts with senior officials in other governments.

We all knew that the Nicaraguan Resistance could not survive without the support of others—and, in fact, if I may just digress for a moment, that is a very important part of all this, is that the Nicaraguan Democratic Resistance could not survive, if it only had our support, just the support of the United States—if we were the only ones backing them, they would not survive.

Such was the case with the Sandinistas when they came to power. It took more than just the support of the Soviet Union—the Cubans—to help the Sandinistas seize power in 1979.

Thus the initiation was that the NSC, first of all, would pick up responsibilities increasingly as the CIA was basically phased out. It wasn't quite as abrupt as the final cut-off in October of 1984, I believe it was.

Mr. JENKINS. Who gave you at that point or gave the NSC the direction to contact General Secord? Did that come from Casey or did that come from someone else?

Mr. NORTH. The person who suggested General Secord to me—and I then took the name to Mr. McFarlane—was Director Casey.

Mr. JENKINS. And did you at that time already know General Secord?

Mr. NORTH. I had met General Secord in 1981, shortly after I arrived on the NSC staff. He was at that point, I believe—I don't want to get his title wrong, but I think his title was Deputy Assistant Secretary of Defense for International Security Affairs.

I may have the title wrong. It was a long time ago.

Mr. JENKINS. Let me ask you about him. At that time, did you know that there had been some question at one time or another about a security clearance for General Secord?

Mr. NORTH. No, I did not sir. I think that issue arose later and I am—quite honestly I didn't even know about that aspect of it because my contact with him was essentially broken after our work together, and mine was very peripheral compared to his on the Saudi Arabian Air Defense Enhancement program.

Mr. JENKINS. At any rate, you made contact him and it was him that brought in Mr. Albert Hakim?

Mr. NORTH. Yes, sir. Again, I went to General Secord, as I recall, it might have been in the spring or summer of 1984 basically seeking someone who could give the kind of advice and logistics support

and the kinds of activity support to the Resistance that we perceived they needed because the CIA was, as I indicated, being pulled away and of course with the most stringent of the Boland strictures in October basically cut off very abruptly at that point.

And by then, General Secord had been engaged—and of course by then already money had already started to flow to the Nicaraguan Resistance from outside sources.

Mr. JENKINS. And those outside sources through Calero, primarily?

Mr. NORTH. The one I am aware of, and there may well have been others that I am not aware of, but, the one I am aware of started in the spring or summer of 1984. Mr. McFarlane came to me—asked me for my recommendations. I went to Director Casey and asked for his advice.

Mr. JENKINS. Well let me ask you, at that point, did you always go to Director Casey for directions in this type of activity?

Mr. NORTH. In answering that question earlier, I take a little bit of contention with the word direction. And I don't want either of my previous superiors to think that I was working for Director Casey. I knew who I worked for.

Mr. JENKINS. You worked for McFarlane and Poindexter?

Mr. NORTH. And prior to that, Judge Clark, and before that Dr. Allen. But I did have a lot of advice from Director Casey, which I valued.

Mr. JENKINS. Yes, I understand.

Then Secord and Hakim commenced the arms purchases for the Contras.

Mr. NORTH. Yes, sir. Well, I think we got off a little bit, but after I gave—after I conferred with Director Casey, I then, with his advice, recommended to Mr. Calero the establishment of an off-shore bank account, and he then gave me that account number.

I gave that account number to Mr. McFarlane and shortly thereafter money started to flow. And I can't say for certain even today that there is a direct connection, but I certainly assume there was, and it flowed to that account. And then General Secord began providing the kind of support which is now so evident.

At that point in time, I had never even heard of Mr. Hakim and it wasn't until some time later that I met him.

Mr. JENKINS. But at any rate, Mr. Hakim and General Secord were in this as I understand it, as a profit-making business?

Mr. NORTH. Well, again, my understanding was, and I—the word "profit" may have come up, but the two criteria that Director Casey and I talked about, three criteria actually, and that I communicated with General Secord on was that these had to be stand-alone, off-shore commercial ventures, that they ought to be ultimately revenue producers, that they would generate their own revenue and be self-sustaining, and that those engaged in these commercial ventures were certainly deserving of fair, just, reasonable compensation.

Mr. JENKINS. Which you never did define and it was never defined to you?

Mr. NORTH. No, sir.

Mr. JENKINS. And at that time, Mr. McFarlane and later Mr. Poindexter understood that; is that correct?

Mr. NORTH. I certainly believe they did, sir.

Mr. JENKINS. And as a matter of fact, at some point in the initial stages, Mr. Hakim and General Secord decided to eliminate the Canadian arms dealer and give that portion of the profits to Mr. Clines, is that correct?

Mr. NORTH. I will have to say apparently so, because I am not—those were the kinds of details within the operation in which I did not involve myself. I didn't see any necessity for that. I am not even sure that I was aware of that at the time.

Mr. JENKINS. You left that entirely to General Secord?

Mr. NORTH. Exactly.

Mr. JENKINS. And did he have a superior in the government?

Mr. NORTH. No. He was not a part of—by then, he had retired from the United States Air Force and was a businessman outside the government. In fact, when I approached him, he did not jump at this chance.

I think that should be noted for the record, that he thought about it for some time. I, at one point, importuned Director Casey to see if he could encourage it along, and it was not for several days or even weeks that he came back and agreed that he would do it.

Mr. JENKINS. And then later, you decided with the approval of your superiors, to bring General Secord and Mr. Hakim into the Iranian——

Mr. NORTH. That was——

Mr. JENKINS. —deal.

Mr. NORTH. That was in November of 1985.

Mr. JENKINS. I want to—I don't want to repeat everything, but I want to know, had you ever met Hakim up until that November?

Mr. NORTH. I may have, but I do not recall meeting him at this point. I don't recall having met him until February of 1986.

Mr. JENKINS. First time you had met him?

Mr. NORTH. I believe that is correct, sir.

Mr. JENKINS. And at that time that you met him in February, what was the occasion?

Mr. NORTH. We were in desperate need of a translator. As I have indicated earlier, there was no translator available within the CIA at that point that could provide those kinds of services. I did not speak Farsi, the Iranians with whom we were talking obviously spoke Farsi but not English.

I did not want to have to rely on the translations being provided by Mr. Ghorbanifar. When I mentioned this to General Secord, my recollection is that he said, "Well, I will get Albert Hakim," who perhaps by then I knew the name, but in any event, Mr. Hakim came and served as translator for those meetings.

Mr. JENKINS. And that was the meeting that you testified to where the seven points were first discussed with the first channel?

Mr. NORTH. No, sir. My recollection is that the seven points issue came up with the second channel, somewhat later.

Mr. JENKINS. All right.

Now, at the time that you asked for Mr. Hakim at the suggestion of General Secord, and met with the first channel, was in fact Mr. Hakim the only person on our side when you were handling the trip that spoke Farsi?

Mr. NORTH. Yes, he was. Well, General Secord speaks some Farsi. He served in Iran, and he does speak some. I hope I am not insulting him, but I don't think he speaks it as well as Mr. Hakim.

Mr. JENKINS. So, the only representative that we had when we made contact with channel one that spoke Farsi were two people outside the government?

Mr. NORTH. That is correct.

Mr. JENKINS. All right sir. And you later learned, I am sure, that Mr. Hakim was obviously into the Enterprise, as he has testified to this committee, entirely for the money?

Mr. NORTH. I am not too sure how he testified to the committee, Congressman Jenkins, but—and I am not here to impugn anyone else or to defend anyone else. My understanding throughout was that the people who were engaged on our side in both this activity and the support for the Nicaraguan Resistance were in it for reasons that served our national security interests.

I had made it clear to General Secord as I indicated a few moments ago that fair, just, reasonable compensation was deserved, that these were commercial entities, and I don't recall at any point Mr. Hakim saying to me or to others in my presence that I am in this only for the money.

I do recall Mr. Hakim saying that he cared deeply about the fact that his native country, where he was born and raised and lived, was essentially in a state of siege or no relations at best, with his adopted country. And like many people who are victims of totalitarian regimes in Eastern Europe or Cuba or Nicaragua who have fled to this country and become Americans, my sense was he had the same kind of aspirations that many Eastern Europeans have—Poles, Lithuanians.

Mr. JENKINS. I understand that he had some mental heartfelt interests, since he was born in Iran, and he is an American citizen now, I believe, has been living in Europe. Nevertheless——

Mr. NORTH. Actually I don't believe he does live in Europe. I think he lives in California.

Mr. JENKINS. He always maintained a home, I think, according to his testimony, in Europe. He has testified to the committee already and he stated—testified to the committee that he not only informed you, and of course General Secord already knew, but that he also informed the Iranians in channel two now, where he did most of the negotiating, that his interest was financial interest.

Mr. NORTH. He certainly did indicate that he had a financial interest.

Mr. JENKINS. Yes.

Mr. NORTH. And I believe I even surrendered to the committee notes of mine that indicated a discussion that he and I had at some point about his view of where he hoped a new relationship with Iran would lead, and as a businessman—and, as I understood it at the time, a very successful businessman—he saw not just for himself but for American enterprise as well, enormous opportunities in a restoration of a positive relationship with Iran.

Mr. JENKINS. He testified to that also, and he also testified that his interest—one of his primary interests was to open up the channel, channel two, get stable relations back, because with $15 billion in trade——

Mr. NORTH. I remember the number. He mentioned that to me.

Mr. JENKINS. —that he hoped to get 2 percent of it.

Mr. NORTH. I don't remember the 2 percent. I remember the $15 billion.

Mr. JENKINS. And that he was very much interested, from a financial standpoint, in making this succeed, is the question I am asking; isn't that correct?

Mr. NORTH. He did express that to me, yes, sir.

Mr. JENKINS. You commenced at the second channel, as you have told Mr. Liman—and the seven-point plan has been introduced—you were unable, together with our other representatives at the second channel, to consummate an agreement at that time; is that correct?

Mr. NORTH. That's correct.

Mr. JENKINS. Now, as I understand his testimony, at that point you told Mr. Hakim that you were leaving, coming back to Washington, and he had 6 hours if he could change their minds; is that basically correct?

Mr. NORTH. If I recall correctly, and I may not be accurate in this, but I think what happened is that I had arrived in Europe for a meeting with the second channel. During the time in which I was transiting to Europe, the aircraft with Mr. Hasenfus aboard, and in which Captain Cooper and Captain Sawyer were killed, had been shot down over Nicaragua. And when I got there, I was informed of that as soon as I established secure communications back with my office, and there was a desperate need for me to turn around and come right back.

Mr. JENKINS. So you had to leave?

Mr. NORTH. That's right.

Mr. JENKINS. And General Secord left, as he has testified to this committee?

Mr. NORTH. I believe he did. I think he was working on the same problem.

Mr. JENKINS. And Hakim at that point was left as the only U.S. negotiator for the agreement that was ultimately agreed upon by the Iranians and the United States; is that correct?

Mr. NORTH. That is my recollection, yes, sir.

Mr. JENKINS. All right.

Now, Mr. Hakim testified that he had to wait—after he had gotten the agreement with Iran, which he added these two very controversial sections in there, as you have previously testified to—and he waited to see whether or not the U.S. accepted those, sent you a message, General Secord did, didn't he, with the nine points?

Mr. NORTH. Again, I am fuzzy on that but eventually I got the nine points.

Mr. JENKINS. And your superior approved those and you sent the message back to General Secord and Hakim that——

Mr. NORTH. I believe that is the way it went.

Mr. JENKINS. —that we had agreed to the nine-point agreement.

Mr. NORTH. Again, I would like to refresh myself on the nine-point agreement before I commit to that.

Mr. JENKINS. I will give you the exhibit number. It is 310.

But, while your counsel is getting that, if I could just, so that you can refresh your memory—you signaled that we had accepted that agreement based upon the approval of Secord?

Mr. NORTH. Yes, I did.

Mr. JENKINS. Later, did you stop to think at all—and I know that you sought approval from your superior—that the only person negotiating for the United States of America with Iran, that ultimately obtained the agreement, was a private citizen who had a substantial financial interest in the outcome of those negotiations?

Mr. NORTH. I don't believe that I communicated that to Admiral Poindexter, no, sir.

Mr. JENKINS. And that never concerned Admiral Poindexter or yourself?

Mr. NORTH. Well, I may be—it may well be, Congressman Jenkins, that I was most injudicious. And I have certainly, difficult though it has been, and painful though some of it has been, told the committee of things that I have done. I quite honestly considered that to be motivation to make it succeed, in that he had interests that went beyond just his next promotion or going back and getting an accolade from his boss; that in fact it offered a greater chance for ultimate success.

Mr. JENKINS. The fact that he had a financial interest?

Mr. NORTH. The fact that he saw long term the potential for a financial interest.

Mr. JENKINS. Let me ask you at this point, I know that——

[Witness conferring with counsel.]

Mr. JENKINS. I know that you have just testified today that you told many falsehoods to the Iranians and, as you indicated, would have told them anything in order to get the hostages out at that time.

Mr. NORTH. I may have overstated it when I said anything, but practically anything.

Mr. JENKINS. Yes, I understand. But what is disturbing me about that part is that it was my understanding that we were attempting to open up a new understanding and initiative with Iran. Why would we start that off with a lot of falsehoods that would later obviously come back to haunt us very quickly?

Mr. NORTH. Well, I quite honestly don't think that any of these would necessarily have led to that kind of confrontation. I think that these things were, if you will excuse the expression, fuzzy enough, with the exception of the issues on return of Americans, that if you could have just gotten beyond my level and up to the Secretary of State level or as one of my proposals went forward, even as late as mid November, after everything was blowing up, a meeting with the Vice President and a high-level Iranian official in a Mideastern state, that we could have gotten beyond the issue of hostages and arms and quickly toward the kind of thing that would have yielded a solution to the war between Iran and Iraq.

Congressman Jenkins, at that level—my counterpart on the Iranian side, although young, was of more senior level than I.

Mr. JENKINS. So you didn't think that any falsehood that you told at that time in order to get them to accept the agreement would bother relations?

Mr. NORTH. I didn't think it would jeopardize the next step, is what I am saying, and I was judicious at least in that, Congressman Jenkins, that I didn't believe that the things I was saying would result in an increase of jeopardy for the next level of meeting that we were hoping for.

Mr. JENKINS. Well, I must say that disturbs me somewhat. But I am assuming that in your discussions with Admiral Secord—Admiral Poindexter, that he had authorized you to make any type of statement that you might desire at that particular meeting.

Mr. NORTH. No.

Mr. JENKINS. He didn't.

Mr. NORTH. Admiral Poindexter gave me certain basic parameters and I tried to follow those in the midst of very difficult and sometimes very protracted negotiations, and I tried to keep him apprised when I was overseas, through difficult communications methods, but nonetheless I tried to live within the boundaries that had been established for me and yet make still progress on a very difficult issue.

Mr. JENKINS. And you felt you had the parameters at that time to make statements—excessive statements or some outright misrepresentations to the Iranians because it was in our interest to try to get the hostages back at that particular time?

Mr. NORTH. And foster the hope of a further meeting with senior-level officials.

Mr. JENKINS. Let me follow up the private sector just a bit and get away from that particular meeting.

While I have supported Contra aid by the U.S. Government, I am deeply concerned about this type of set-up that some people call a government within a government, and I want to pursue that so I understand it.

Mr. NORTH. If I may, Congressman Jenkins, I take issue with that description.

Mr. JENKINS. I understand. And maybe I will, too, that is the reason I want to ask you some questions about it.

Now, as I understand this continuing fund that would be funded from the profits or the residuals, as you refer to them, of the sales to Iran as well as some of the gifts from at least one of the countries that went into the account, that would go into an off-budget account that would not be—have anything to do with the U.S. Government.

Mr. NORTH. It did not.

Mr. JENKINS. But the projects that would be financed by that would all be directed by the U.S. Government?

Mr. NORTH. Yes.

Mr. JENKINS. And it would be directed by people within the National Security Council?

Mr. NORTH. Well, I am not too sure how other people viewed my continued tenure at any one point in my time at the White House, but Director Casey clearly saw the need for something, as he put it, that you could pull off the shelf and use that was, as I indicated earlier, self-sustaining and was there.

Mr. JENKINS. Well I am not so awfully concerned at this point what Colonel North would do, but I am worried about the next person that has control over this account.

Now, if I understand what you have testified to, that has been approved by your superiors, the Vice President did not know that any of the funds from this account were being used for the Contras.

Mr. NORTH. If he did, I didn't tell him, sir.

Mr. JENKINS. So far as you know—I believe made the statement he did not know.

Mr. NORTH. As far as I know, he did not know.

Mr. JENKINS. And while you assumed that the President knew—is that correct?

Mr. NORTH. I did.

Mr. JENKINS. —you know that he has stated that he did not know.

Mr. NORTH. That is correct.

Mr. JENKINS. And, of course, neither the United States Senate nor the House of Representatives knew, nor their committees, because as you have testified, they were misrepresented—I will be charitable—in their statements is that correct?

Mr. NORTH. I did misrepresent that. Yes.

Mr. JENKINS. So what concerns me from your testimony and I am not saying it is your policy——

Mr. NORTH. I am willing to take the responsibility, sir.

Mr. JENKINS. You were simply following orders.

Mr. NORTH. I don't think that is an excuse for doing something against the law.

Mr. JENKINS. Let me make this statement and ask you if it is correct. Not a single official elected by the people of the United States of America had any knowledge about the use of that fund; is that correct, or is it incorrect?

Mr. NORTH. Let me go—that is current knowledge, Congressman Jenkins, and that goes back to what I just said a few moments ago.

It was my view then and it continues to be my view now that we were not breaking the law, that what we were doing was within the law, that I had assumed that the President of the United States who is after all the senior elected official in this land was aware of it.

The fact is I believed that the President ought to be able to carry out his foreign policy and if one goes back to 1984 when this activity began, and I don't see a great deal of difference between what we were doing—in terms of the actual arrangement—between what we did in 1985 with the sale of HAWK missiles—or TOW missiles, excuse me, or the earlier contributions made by other countries to these activities, that they are within the bounds of the Executive.

Mr. JENKINS. I understand that and I understand where you were because you assumed that the President knew.

Mr. NORTH. I did.

Mr. JENKINS. And I understand your position. But I hope you understand what I am disturbed about.

Mr. NORTH. I do. And I——

Mr. JENKINS. That there is not a single official elected by the people of this great Nation that had any knowledge of that; isn't that correct?

Mr. NORTH. That is correct, Congressman Jenkins, and I have suggested a solution to that.

[Witness conferring with counsel.]

Mr. NORTH. What I said earlier, in fact, just before the break in response to Mr. Liman, having made the assumption that the President was aware certainly through my chain of command indicated that we should proceed——

Mr. JENKINS. I understand.

Mr. NORTH. And what I said that this whole thing represented to me was an indication of a broader problem, and as early as 1985 or maybe it was June of 1986, I had given a speech before the American Bar Association in which I had proposed a solution for being able to consult discreetly with Members of Congress to get the kinds of appropriations to carry out these activities.

I think that there is fault to be found on both sides.

Mr. JENKINS. I understand that, and would agree with you fully, and there ought to be bipartisanship in foreign policy and I have always tried to follow that.

Mr. NORTH. And your votes for the Nicaraguan Resistance were difficult for you and the party, and I understand that.

Mr. JENKINS. But I believe that the U.S. Government ought to do it.

Mr. NORTH. I do too, sir.

Mr. JENKINS. I don't think any profiteers ought to be doing it secretly. You see that is what disturbs me.

Mr. NORTH. Oh, I understand, and again I want to say, Congressman Jenkins, that I never from the earliest days of this activity envisioned that I was in this to make anyone rich.

Mr. JENKINS. Oh, I understand your position.

Mr. NORTH. I am not certain at this point that that is the intention of any of those engaged in it. As I said the other day, if someone were to ask me to arbitrate, and I am sure that they won't, but since we had hypothetical questions, this is another hypothetical answer, if I were asked to arbitrate as to what should be done with the remaining funds that are in accounts or wherever. Once those bills were paid and the liens were covered and the expenses that accrued were taken care of, I think every single penny that is left ought to go to the Nicaraguan Resistance and save the taxpayers a couple of dollars.

Mr. JENKINS. We asked Mr. Hakim about that, who has control over it, and he would not agree to that.

Mr. NORTH. Give me 10 minutes with Mr. Hakim.

Mr. JENKINS. You think if you have 10 minutes that you can get Mr. Hakim to turn over that $8 million?

Mr. NORTH. If I can meet with anybody without a bunch of lawyers around, I reckon I could, sir.

Mr. JENKINS. Well, let me ask you about that. Really, you are a very articulate person and persuasive. And looking back on this, do you think that sometimes you may have persuaded your superior to take certain actions even when Cabinet members were opposed simply because of your eloquence and very sincere beliefs?

Mr. NORTH. I have no doubt about that.

Mr. JENKINS. Many times.

Mr. NORTH. And I have indicated that I accept responsibility for that.

Mr. JENKINS. Yes, I understand that and that is not a bad trait. It's a good trait that you were able to persuade people. Isn't that correct?

Mr. NORTH. The good Lord gives us all certain gifts.

Mr. JENKINS. And you certainly have a good one there that you should be very grateful for.

You persuaded Poindexter to continue this even against Shultz and Weinberger's position, didn't you?

Mr. NORTH. I don't know that it was only me, but I—it certainly resulted in that, yes, sir.

[Witness conferring with counsel.]

Mr. JENKINS. And on many other occasions, you were the principal voice, I am assuming, within the National Security Council as far as persuading the administration to take a certain position. Do you think that you played the most important role?

Mr. NORTH. Congressman Jenkins, on some issues I was probably the only voice and that is not to say that is necessarily good or bad, but that all of the men that I work for, for whom I still have enormous regard, were judicious men of great intellect, patriotism, and to go back to one of our earlier comments, none of this, particularly when it came to drafting letters that were not accurate or misleading, none of that came easy to any of us.

Mr. JENKINS. I'm not—as I indicated to you, I am not so concerned about what you would do with this permanent fund, but I am concerned about the future Ollies that may have jurisdiction over the fund or the people who follow Mr. Poindexter under any administration.

Based upon what you have said, I mean, if they decided to—I am not talking about you, but whoever had control of this fund—if they wanted to give the money to the Sandinistas, they could have.

Mr. NORTH. They better look out for me if they did.

Mr. JENKINS. Well, I am not talking about you being there. I am talking about your successor. This was going to be an ongoing——

Mr. NORTH. That was the intention.

Mr. JENKINS. —fund, was it not?

Mr. NORTH. It was. Again, I can't say for sure when we started talking with the Israelis about the kinds of activities I described to you last night, what the timeframe would have been. Most of those were relatively short-term operations as I described them to you.

Mr. JENKINS. Well, the exhibit—well I hope I have—well part of this has been repetitious. I wanted you to see the concern that I have with this type of operation. I don't know whether you see any—any dangers in that type of operation or not.

Mr. NORTH. I share some of your concerns, but I also share a belief that there are the responsible people within the Executive who are competent to undertake those kinds of activities. And given lack of alternative, again I still see it to be within the law.

Mr. JENKINS. You think that we ought to have within the law that type of fund set up that has maybe no supervision whatsoever, by any elected group?

Mr. NORTH. No. I did not say that I thought we ought to do that.

Mr. JENKINS. So long as the President knows, I am assuming?

Mr. NORTH. That is, first of all, correct. And second of all, I don't necessarily think we ought to have to be in that kind of a predicament.

My sense is that it would be far better to be able to consult discreetly with those committees that make the authorizations and appropriations for intelligence activities to have a clear understanding between the Executive and the Congress that revelations regarding those activities are totally unacceptable to our national security interests. And that those moneys ought justifiably to come from this body. After all, it is the Congress that appropriates. So I share your desired outcome completely.

Mr. JENKINS. It is not that. I just could not ever support any type of private foreign policy under that type of description, is my concern.

Mr. NORTH. I understand what you are saying, sir, and that is why I took issue with the description of a government within a government. It was not nearly so broad, although it was described by Director Casey as the full-service covert operation——

Mr. JENKINS. But if it is not—it is private money coming in, as you have indicated.

Mr. NORTH. There was.

Mr. JENKINS. But the direction as to how it is spent is coming right from the Government. Our government.

Mr. NORTH. It was.

Mr. JENKINS. And by future administrations, if the fund remained permanent.

Mr. NORTH. I have given a solution for how to take care of that, sir.

Mr. JENKINS. I understand that, and we may have to look at it. Let me go into another area for a moment.

[Witness conferring with counsel.]

Mr. JENKINS. As you probably know, I have great difficulty also with the practice of either soliciting funds from third countries for foreign policy actions, which may or may not be—which are not supported by the Congress. I am not going to get into the argument as to whether or not the Boland Amendment the—different definitions——

Mr. NORTH. I understand, but if I may, part of the understanding that I had with Director Casey was a parallel in which there is, as we all know, at least the Intelligence Committees know, a covert operation approved by the Congress in which contributions are provided by other governments.

Mr. JENKINS. Well I understand that, and the initial contribution from Country Number Two——

Mr. NORTH. You got me again.

Mr. JENKINS. —was really sought by the Secretary of State, I believe, by some higher official. You were not instrumental in that, if I understand correctly.

Mr. NORTH. I was instrumental in that I established—I had had Mr. Calero establish an account, I passed that account card to Mr. McFarlane. I still don't know that it was Number Two, sir.

Mr. JENKINS. The difficulties that I have, which have been well-publicized, is that I think that when we place ourselves in such a position of seeking donations from third countries that may have

no direct interest in Nicaragua, that we compromise ourselves and place them in a compromising situation.

You understand the difficulties with that approach, do you not?

Mr. NORTH. I understand what you are saying, Congressman Jenkins, and if I may, I am not sure that I entirely agree with you, and the reason I say that is because, as I indicated in my testimony, I didn't have to do a great deal of convincing to encourage or however one wants to put it, have other people make contributions.

Almost without an exception, there were others who saw it to be in their interests to support the cause of the Nicaraguan Resistance. It was mind-boggling how very clearly they saw the consequences of a Communist takeover and consolidation in Nicaragua and the inevitable expansion of communism in Central America as creating vulnerabilities to them, even though they were tens of thousands of miles from here.

And thus, if one uses the parallel of the support provided by another country for an authorized covert operation that is now unfortunately known, I don't think that we incurred any liabilities by asking them to assist us in that activity and they have done so.

And honestly, I don't think that we have incurred liabilities by asking others to help us with the cause of democracy in Central America.

Mr. JENKINS. Well, I know that you made a similar response, and I might say that I had some concern with what you said, it was a good speech, a good response as far as your position, but you indicated that many Members of the Congress—here these other nations were giving and the Congress of the United States would not do what they were doing for the cause of democracy.

Mr. NORTH. You did.

Mr. JENKINS. Yes, I know I did, but I picked up this list, and I know there is differences of opinion on this panel, but I respect their views, even though they may be opposite of my views, and I looked at this list of nations, and I do not see a single democracy on the list, except the first one, who gave us financial help.

And I think it is unfair to the panel, do you not, or to the Congress, to say that nations that are not even democracies themselves have more interest in democracy in Nicaragua than the Congress of the United States?

Mr. NORTH. Mr. Jenkins, I did not make the accusation in that form.

Mr. JENKINS. Well——

Mr. NORTH. What I said was that those countries demonstrated an awareness of the consequences of a Communist takeover in Central America that made them want to contribute to a democratic outcome in Nicaragua. The fact is that if we were to have been proscribed from doing that kind of activity and the Congress sought to proscribe the Executive from their doing that, then it should have passed a law that forbade it, and there should have been the ultimate constitutional confrontation.

Mr. JENKINS. I want to ask you, then, and I apologize if you did not make that type of a statement, I understood that you were being critical of the Congress as compared to foreign countries who loved democracy maybe more than Members did.

Mr. NORTH. No, I was being critical of the Congress, I will leave it at that, sir.

Mr. JENKINS. All right sir. It just struck me as ironic that none of these were democratic countries.

Let me move into the negotiations. Let me move into, a bit further in your testimony as to how these countries were willing to give. As I look at the nine countries on the list, we received contributions only from, financial contributions from Number Two and Number Three and the one that has been identified as Brunei, which was never used.

Mr. NORTH. Never found, or it would have been, sir.

Mr. JENKINS. It was placed in the wrong account.

Mr. NORTH. Unfortunately.

Mr. JENKINS. You made contact with Country Number Five. I assumed they did not make contact with us, wanting to give.

Mr. NORTH. I don't recall the exact arrangement of who contacted who, but there were discussions and there was assistance provided.

Mr. JENKINS. But the question is, as I look down the list, did any of these countries voluntarily come to us and want to donate?

Mr. NORTH. Well, yes, one that was turned down, Number Six, at least through an intermediary, not directly.

Mr. JENKINS. Yes.

Mr. NORTH. I am not too sure how the approach with Three started. I believe it was through a person who has already testified.

Mr. JENKINS. General Singlaub.

Mr. NORTH. Exactly.

Mr. JENKINS. And it took a year or so before they contributed, and you met with them one time, did you not?

Mr. NORTH. I did.

Perhaps I misunderstood, Congressman Jenkins, you said none of those 10 countries are democracies or none of those who gave were democracies.

Mr. JENKINS. Do you see another there besides Number One who did not give?

Mr. NORTH. Number One, and Number One did make a contribution, but it wasn't necessarily money, although some money was used. Number Seven is certainly a democracy.

Mr. JENKINS. They didn't give you any money.

Mr. NORTH. No, they provided services.

Mr. JENKINS. Yes. Did any of these countries voluntarily come to us to give, is my question.

Mr. NORTH. I can't say that they did, no.

Mr. JENKINS. So they were not exactly beating our door down to make contributions.

[Witness conferring with counsel.]

Mr. NORTH. Just to clarify, if you are talking about giving being financial only, that is correct. But if you are talking about looking for ways to support a democratic outcome in Nicaragua, that is not correct.

Various countries made various proposals as to how they could help, and we took them up on most of them, particularly in Central America.

Mr. JENKINS. I was simply looking at the ledger of the money that came in, and——

Mr. NORTH. Yes.

Mr. JENKINS. And I did not see any there that came.

In your meeting with the delegate of Country Number Three that eventually gave us the one that did contribute——

Mr. NORTH. Yes.

Mr. JENKINS. —a total of $2 million.

Mr. NORTH. I believe so, yes.

Mr. JENKINS. At that particular time, what did you discuss with that representative that was set up for you; the appointment was set up by the State Department, as I understand it?

Mr. NORTH. Actually, it was prior to his arrival at the State Department, he was still working on the National Security Council staff at the time. And I discussed—well, he said that various overtures had been made to him by various parties and that there was interest back in his capital, but that he wanted to make sure that that was something that we would indeed want done, and I confirmed that.

I told him that we would be very grateful, as indeed we were. No quid pro quo was suggested, none was offered, and the contributions were made.

Mr. JENKINS. Well, as you probably know from previous hearings at that particular time, there was a very important trade bill that affected that country.

Mr. NORTH. I do understand that.

Mr. JENKINS. And that had been passed by the Congress but not dealt with at this particular time, vetoed or signed, by the President.

Mr. NORTH. Yes.

Mr. JENKINS. And that the contribution came after the bill had passed the Congress adversely affecting Country Number Three, and it was subsequently vetoed. There was no discussion about trade issues or any other issue?

Mr. NORTH. Never.

Mr. JENKINS. Because that was outside of your jurisdiction anyway, and you would not have discussed that, would you?

Mr. NORTH. I dealt intensely in trade issues which were political-military issues in Central America. That issue was never ever raised, discussed in any way, Congressman Jenkins. I want it to be very clear on the record that neither he nor I discussed it and I—because it was a part of the world in which I did not have political-military policy activity—was totally unaware that that was an issue. Totally.

Mr. JENKINS. Totally unaware that it was even an issue on the Hill?

Mr. NORTH. Yes.

Mr. JENKINS. Is that correct?

Mr. NORTH. That is correct, sir.

Mr. JENKINS. I am not saying that you had any, because I understand that is outside of your sphere of discussion. I just don't know what——

Mr. NORTH. I feel the same about Dr. Sigur, I just can't imagine that Dr. Sigur in any way used that meeting or the fact of this meeting to influence that activity at the White House whatsoever.

Mr. JENKINS. But you would have no reason to know either, I assume, if that——

Mr. NORTH. No.

Mr. JENKINS. —if that ever crossed the minds of the officials from Country Number Three?

Mr. NORTH. I have tried hard not to read other people's minds, sir.

Mr. JENKINS. You don't think that that would ever enter into their——

Mr. NORTH. I don't know.

Mr. JENKINS. —considerations?

Mr. NORTH. I do not know. They did not mention it to me, sir.

Mr. JENKINS. I understand. Do you know whether or not any other official, Mr. Poindexter, Mr. McFarlane or anyone else, ever discussed this?

Mr. NORTH. The subject was never ever raised with me. I never even heard of it until these hearings, sir.

Mr. JENKINS. All right, sir. I want to very quickly, for what little time I have left, go into another area. Mr. O'Boyle has testified that in the course of a meeting with you following a fundraising solicitation with Mr. Channell, not with you, but with Mr. Channell, you indicated a plan for U.S. involvement in Nicaragua that was extremely, in his words, "very, very secret" and that you indicated that should not be revealed to anyone else. Did that conversation ever take place?

Mr. NORTH. I do not recall the specific conversation with Mr. O'Boyle, or conversations, because it appears that I met more than once with Mr. O'Boyle by my recollection. I cannot imagine that I used the word "secret." I probably used the word "sensitive." It was probably in response—and that question was asked by others. And the question would generally be asked, "Look, is there any end to this? How can this possibly come to a conclusion? I hear on the one hand that there is no way for the Nicaraguan Resistance to ever militarily win a victory over the Sandinistas, given the preponderance of numbers and force on their side.

And I described to him a plan which had been discussed with the Nicaraguan Resistance. It was not summarily dismissed, as others may have indicated, and in fact was designed to preclude U.S. military ground combat operations. I want this committee or these committees to be abundantly clear that I personally, in every policy paper I wrote for the President and for my superiors and for coordination with the other departments and agencies with whom we were in contact at the NSC, vociferously advocated solving the problem of democracy in Nicaragua without the use of U.S. military force, and that is very, very important.

Mr. JENKINS. I understand that.

Mr. NORTH. But Congressman, I think people have left the wrong impression. This man saw too many Marines die to in any way advocate using U.S. military force in Central America unless it was the last resort.

Mr. JENKINS. There is no disagreement on that issue. The point I am asking was, did you discuss any, in his words, "very very secret" involvement?

Mr. NORTH. My words would be—look, this is a sensitive issue.

Mr. JENKINS. It is not classified. Is that right?

Mr. NORTH. It is not classified.

Mr. JENKINS. That is all I want to know.

Mr. NORTH. It was discussed with the Resistance.

Mr. JENKINS. That is the only—that is the answer that I was, if it was not classified. He is one of the people who later contributed a hundred and something thousand——

Mr. NORTH. I am told that he did and I was never present when any check was ever handed to Mr. Miller or Mr. Channell.

Mr. JENKINS. I understand that. You have already testified to that. I am just curious about the security aspect.

Let me ask you about one other thing in security, since I am not on the Intelligence Committee, is the software for the KL-43 machines—is that classified?

Mr. NORTH. I am told—I was told many months ago that the machines, once the zeroize key was pushed on it, that the machine is as unclassified as this microphone.

Mr. JENKINS. The software is not classified?

Mr. NORTH. No it's the internal hardware of the machine. Once the zeroize button was pushed removing the encryption that the machine was completely unclassified.

Mr. JENKINS. I may not fully understand, but I understand there is software also. Is that classified?

Mr. NORTH. As I understand software, sir, it is the program that is put into the machine. Type in the program.

Mr. JENKINS. Right. That is classified, is it not?

Mr. NORTH. The tapes that are to be used to enter, the encryption tapes, were classified, that is correct.

Mr. JENKINS. Mr. Hakim had a machine with software?

Mr. NORTH. I know that General Secord did and Mr. Hakim may have had one, too.

Mr. JENKINS. Did either of those have security clearance?

Mr. NORTH. General Secord certainly did. I don't know——

Mr. JENKINS. General Secord had security clearance?

Mr. NORTH. I said that perhaps too—I was under the belief that General Secord had a security clearance for the entire time that he was engaged with us.

Mr. JENKINS. I believe he has testified that he did not have——

Mr. NORTH. If that is the case, I misunderstood.

Mr. JENKINS. Who provided those machines and the software to those people?

Mr. NORTH. I did.

Mr. JENKINS. At the direction of Admiral Poindexter——

Mr. NORTH. When you say the direction of Admiral Poindexter——

Mr. JENKINS. Well, the approval.

Mr. NORTH. I am sure I told him that I was using these machines. I provided one back to his office so I could communicate with him, and I am sure that I told him at some point who had them.

Mr. JENKINS. There were about seven or eight that were given out with software, including the airplane company down in Florida?

Mr. NORTH. We passed out cassettes every month. The cassettes expired——

Mr. JENKINS. The only question I am asking, did anyone check to see whether any of these people had security clearances?

Mr. NORTH. I was led to believe that the airplane company did have the security clearances; that they do classified government work, and that the people who had it with possible exception of Mr. Hakim, had security clearances.

Mr. JENKINS. And that was—who led you to believe that?

Mr. NORTH. Well, I guess the people with whom I was working.

Mr. JENKINS. Poindexter, Casey——

Mr. NORTH. Admiral Poindexter never told me that so-and-so down in Florida or Central America had a security clearance. I made an assumption, perhaps erroneously, that those people who had the machines were empowered or authorized to have them.

Mr. JENKINS. Just based upon all the facts, you assumed that they had security clearances; isn't that correct?

Mr. NORTH. Yes.

Chairman HAMILTON. Mr. Jenkins, your time has expired.

Mr. JENKINS. Thank you, Mr. Chairman.

Colonel North, thank you for your testimony before this panel. I know that it has been a long and grueling week and I appreciate your testimony very much.

Mr. NORTH. I thank you, Mr. Jenkins.

Chairman HAMILTON. The Chair recognizes Mr. Cheney for 1 hour.

Mr. HYDE. Mr. Cheney, would you yield to me for 1 minute?

Mr. CHENEY. This is always dangerous, but certainly, Mr. Hyde, I would be happy to.

Mr. HYDE. This is a high-risk operation.

Just referring to the list of countries that my dear friend from Georgia mentioned that there were no democracies on there. I don't wish to quarrel with him. I see three full democracies, a couple of half democracies. But a little bicentennial note for my friend. It was Louis XVI's France which made our revolution possible and democracy in this country, and he was so undemocratic that a guy named Robespierre took care of him in a few years.

So sometimes democracy can get helped from strange sources. And I thank you.

Mr. JENKINS. If the gentleman will yield just for one half second.

Mr. CHENEY. Yes. I certainly will yield to the gentleman from Georgia.

Mr. JENKINS. I simply looked at the list of countries and hoped that I specified the countries that gave. The only ones that I saw other than Number One that was, in fact, a full democracy, as a matter of fact, one I think is Communist, but the rest were not.

Mr. HYDE. Eight is a democracy, seven is a democracy, and a couple of them—one is making a great move towards democracy. Thank you.

Mr. CHENEY. Mr. Chairman, I think I should reclaim my time. Thank you.

Colonel North, I know it has been a long, difficult week. Let me say at the outset that I have been tremendously impressed with the way you have handled yourself in front of the committee. And I know I speak for a great many people who have been watching the proceedings because the Congress has been absolutely buried in the favorable public reaction to your testimony and phone calls and telegrams.

And I know I speak for a great many people when I say that I for one, believe you have been very direct and very candid and forthright with the committee, and as a member of the committee, I certainly appreciate that.

Mr. NORTH. Thank you, sir.

Mr. CHENEY. Let me—I have got several things I would like to touch upon, but the key point for me through these proceedings has been to try to place the events of the Iran arms transaction and the support network for the Contras within a broader context so that we understand the way some of these decisions were made and why the President and his key advisers made the decisions they made.

I don't think, for example, it makes sense to focus on the Contra operation without talking about Central America, and we did that yesterday.

I don't think it makes sense, or that it is possible to understand these events without understanding the impact of numerous changes in congressional policy.

And I think with respect to the Iranian arms transaction, at least, it is my theory that it doesn't make sense to try to understand that without focusing specifically upon the role of the hostages and the impact they had upon the thinking of the President and of those people around him as he wrestled with the difficult responsibilities that he obviously had to weigh in deciding to undertake these actions.

Can you briefly describe for the committee your role and responsibilities in connection with the hostage families? I believe you served as a sort of a liaison person part of the time you were at the NSC for the hostage families.

Mr. NORTH. My specific role was that of the NSC staff officer responsible for policy and activity coordinating government activity on terrorism and hostages fell within that since it's through terrorist acts that they were taken.

We made enormous efforts in our government to locate and to recover our hostages through a variety of means. That inevitably led to contacts with the families which were necessary, necessitated by the fact that the families of most of these men had lived in the region for years.

I believe Reverend Weir was in Lebanon or the Middle East for 30-some odd years. They, of course, had sources of information that our government didn't have by virtue of the tenure that they had. And it became necessary even if one didn't think that meeting with the families was going to have a good policy impact, because it is a devastating experience to meet with a wife, with a daughter, the mother or the son of a hostage repeatedly and see the anguish in their face and know in your heart that your government can't, try as it would, can't do anything about it.

It was—I think I tried to give an accolade to a young man by the name of John Adams yesterday, at the State Department, who is within the Consular Services, at least he was, and whose job was to be the U.S. Government's principal point of contact.

The anguish that that man has gone through with these hostage families is almost akin to their own.

For that reason, and seeing that and knowing how I felt having met with the families, both in groups and individually a number of times, I did not want the President to meet—in fact, we had set up a program by which the Vice President would meet with the families, not that the Vice President is more callous, but that the ultimate decisions on things to be done would have to be the President's, nonetheless, it was taken as a decision that the President would meet with them.

I don't mean this in any way to be critical of our political process in the White House—I think that places an unfair burden on the heart of our President. And the President felt deeply about it, as I did.

And I am willing to admit that that may have colored my decisions or my recommendations or even his.

I know that those of us like John Adams who met with the families frequently saw that anguish as something that we wanted to solve.

On top of that, we had Director Casey who, as I indicated last night, had a very, very good reason for wanting one of his own back. And in spite of task forces and increased intelligence and enormous diplomatic activities, nothing succeeded until we came to this initiative, all of which I am telling you is now history, but it can nonetheless affect Presidential decisions in the future, not just this President, but others.

The longer-term solution is to create circumstances where hostage-taking is not a viable alternative, or groups that believe in that find that it is not in their interest. Now there are a number of ways of doing that. We can leave our hostages that are now taken forever and show that we just don't care about hostages.

You and I know that not to be true. You can take action against the hostage-takers until they feel that the price is too high. The Soviets did that and got their people back almost instantly.

Or you can try to influence the environment of support for the hostage-takers, and that is what we tried to do. In other words, the environment of support philosophically, religiously, financially for the Hizballah in Lebanon came from Iran, and we sought to exert influence over the terrorists by going to their backers.

We also had broader goals and objectives that I tried to articulate in the Findings that I worked on, and I think that if we were able to get to the point where that we were able to establish a high level dialogue well above my pay grade, that we would have been able to achieve the kind of outcome that we were seeking.

But we all knew that we couldn't establish that dialogue unless we got beyond the obstacle of the hostages, and so one begat the other problem. And that course of action which started in September of 1985 was still at play as late as November of 1986, and though people can criticize the President for not choosing to notify

the Congress at any one point in time pursuant to a Finding that he had signed, I also had in my files the Hostage Act.

The Hostage Act goes all the way back to the early 1800s, and I believe I had sent that forward to my superiors, saying look here is the authority to do whatever is necessary—that is basically the words that are in the Hostage Act—to recover American hostages, and after you have them back, tell the Congress what you have done and how you did it.

In this day and age where Americans are increasingly at risk of terrorism, and they are, we ought to think very carefully about proscribing Presidential authority to do those kinds of things.

We ought to think very carefully before we start to structure statutes and regulations and requirements that would bind him in such a way that he cannot act, and that we could not retrieve or recover our people safely. I do not believe we have seen the last of it.

No matter what the outcome of those who are now held in the Lebanon, it is very likely that we will see more. No matter how callous we pretend to be, Americans are not and the rest of the world knows that.

And I would say, sir, that perhaps what we ought to do is offer an exception to the requirements for Findings, and perhaps add on to the Hostage Act so that a President is allowed to take such actions as necessary and carry them on for as long as necessary to recover our people.

Mr. CHENEY. To follow up on that, Colonel, I believe, and I am not certain what the source of this information is—it may be press stories. But that one key point, one important decision was made I believe in the summer of 1985 by the President after he had been to Arlington National Cemetery to lay a wreath on the tomb of the young sailor, Dean Stidham, who was killed—brutally murdered by the hijackers who took TWA-847. Do you remember that incident?

Mr. NORTH. I remember it well, sir.

Mr. CHENEY. Could you tell us about it?

Mr. NORTH. There were several events that the President was deeply moved by, and the murder of Robert Stidham was one of them. The murder of the Marines in El Salvador by terrorists and two American citizens along with them was another. The murder of Leon Klinghoffer. All of those affected I think all Americans, and certainly the President. And that trip to Arlington was perhaps one of the most difficult that I saw the President have to make, and this is a President who had gone to meet the bodies of those killed in Beirut, some of whom were my fellow Marines.

Much has been made of how callous could North be to deal with the very people who killed his fellow Marines. The fact is we were trying to keep more Marines from being killed, and more Robert Stidhams from being killed and more Marines in El Salvador, and Al Schofelberger's in places like El Salvador from being killed. And I believe that our policy needs to be broad enough to be able to take action, perhaps even as stringent as that taken by the Soviets in Lebanon that allowed their people to come home, as well as actions similar to the ones perhaps that I took and that are in so much debate, or actions like we took with the *Achille Lauro,* to be

able to allow the terrorists to come to the conclusion that it is not wise to mess around with American citizens.

I think the President was deeply moved.

Mr. CHENEY. Do you recall anything he might have said at the time, any specific words? Did he ever discuss his feelings with your or in meetings you attended?

Mr. NORTH. I don't recall them, sir.

Mr. CHENEY. We move on for a moment to the question of Mr. Buckley. I know we discussed some of this in executive session last night, and clearly I don't want you to get into an area that is classified and needs to remain classified by any means. But it is generally known that Mr. Buckley occupied a very sensitive post, and I wonder if you might talk briefly about that situation. He was our CIA Station Chief in Beirut.

Mr. NORTH. He was, and he was an expert on terrorism. And he was also involved in another program of enormous—before he went, when he was back here at the headquarters, a program of extraordinary sensitivity.

Mr. CHENEY. What happened to him in Beirut?

Mr. NORTH. Mr. Buckley was, from indications that we have, and it has been assembled over some period of time, and I am not sure what the current analysis was, but when I left the government—I haven't left the Government yet—when I left the administration, the analysis we had was that Mr. Buckley was healthy when he was taken. He was beaten severely. He was probably tortured considerably, and—a tortured confession of some 400 pages was extracted from him, the contents of which may well have been passed to the Soviets; that Mr. Buckley probably died of the complications of pulmonary edema. That is that he had been kicked so brutally that his kidneys and lungs filled up with fluid, and he basically suffocated.

Mr. CHENEY. And that obviously was known to Director Casey. I assume reports on that were provided to the President during the period of time that Mr. Buckley was still in captive?

Mr. NORTH. Yes. We have never recovered the body of Mr. Buckley, as you know, sir.

Mr. CHENEY. How was that information presented to the President?

Mr. NORTH. There were CIA reports that came down with the PDB, the President's Daily Brief, and the like, and they were contained in reports that I sent up to the President.

Mr. CHENEY. Was it the kind of issue he asked about from time to time in the course of the morning briefings?

Mr. NORTH. It is my recollection that the President frequently asked about the status of the hostages, not only to me but to my superiors in briefings. The President certainly wanted to meet with all of those hostages who had been released. He met with the TWA–847 hostages when we got them free, and went aboard the airplane, as I recall. He met with the three hostages that we were able to get out through our effort, and he made a plea to the American media when David Jacobsen came home asking for their consideration that further revelations not complicate the release of others.

Mr. CHENEY. Were special efforts made to recover Mr. Buckley?

Mr. NORTH. Yes, they were.

Mr. CHENEY. I would assume partly on the basis that he was literally one of our own, a man in service to the nation, that there were special feelings on the part of Director Casey for Mr. Buckley as well?

Mr. NORTH. It was my understanding that there was not only a professional relationship between Mr. Buckley and Mr. Casey but a personal one, and that Director Casey felt very strongly about William Buckley.

To the very end, Director Casey was anxious to get the body of Bill Buckley home, and certainly the tortured confession.

Mr. CHENEY. Would it be fair to say that the situation of the hostages, and especially Mr. Buckley, had an impact at least upon the policy decisions we have been talking about here in connection with the opening to Iran, the decision to ship weapons to the Ayatollah?

Mr. NORTH. I believe it did.

Mr. CHENEY. There is a piece that appeared in one of the London newspapers which I happened to pull out today that I brought with me that is headlined that "the kidnap and videotaped torture of William Buckley, the CIA's head of station in Beirut, shocked his superiors in Washington and led the Reagan administration to reverse its policy on negotiating for hostages and selling arms to Iran."

Is that too strong a statement or do you think it has some truth to it?

Mr. NORTH. One of the most difficult things that I experienced in this rather lengthy ordeal, and I am sure it was the same for both Mr. McFarlane and Admiral Poindexter and the President, was to see the pictures that we were able to obtain, the videotapes particularly, of Bill Buckley as he died over time, to see him slowly but surely being wasted away, and we were able to obtain through intelligence sources those kinds of pictures with the assistance of a European who worked with us on this activity. And it was awful, to say the least.

Mr. CHENEY. You mentioned a proposal at one point that you were involved in—and we have had testimony on it from other witnesses as well—to in effect try to remove the President a step from having to consider the intense emotional burden or carry the burden, if you will, with respect to dealing with the hostage families on a regular basis.

Did anything ever come of that?

Mr. NORTH. No. The decision was taken to have the President meet with those families.

Mr. CHENEY. Who made that decision?

Mr. NORTH. I don't know, sir.

Mr. CHENEY. Do you know if the plan ever went to the President for his consideration?

Mr. NORTH. I do not. I don't recall. I certainly proposed that he not. And that may well not have ever been realistic, anyway.

The President is a man of deep human emotion, in my experience. The call he made to me was a deeply personal one and I think heartfelt, and I was grateful for it. And I saw him interact the same way with other people for five- and a-half-years.

Mr. CHENEY. Would it be fair to say, then, by way of conclusion on the hostages, that it is a little bit easier to understand why the President made the decisions he did, with respect to the operations you ran, in an effort to recover the hostages, and that the policy, which obviously has been widely criticized in some quarters, appears in a somewhat different light when we understand the depth of concern on the part of the President over the fate of a handful of American citizens and the brutal torture and subsequent death of Mr. Buckley, a man who obviously gave his life in the clandestine service of the nation?

Mr. NORTH. I could agree entirely with that, sir.

Mr. CHENEY. Thank you, Colonel.

I would like to move on to a couple of other areas of not so sensitive a nature, not so emotional a nature, and focus a little bit, if we can, upon the question of how the NSC operated.

One of the comments that is made with respect to the Tower Commission, or in the Tower Commission Report, has to do with the notion that somehow the NSC became operational instead of advisory to the President.

As I look at your record on the NSC, you were involved in a great many operational activities: planning the Grenada operation, the Libyan raid, running the operation or certainly having a significant hand in the operation that captured the hijackers of the *Achille Lauro.*

Were you ever conscious of or ever involved in debates within the NSC or with your superiors about the wisdom of running those kinds of operations out of the NSC?

And let me say at the outset, I don't approach it with any preconceived notion of what the right way is necessarily to do it. But it is not unusual for there to be a debate within the administration as to who is going to have responsibility for these kinds of programs and whether or not it ought to reside in the White House or in some other location of government.

Mr. NORTH. Congressman Cheney, I have read the Tower Report, as I am sure most, if not all, that are here have. My sense is that legislating how the President's staff would work would be most unwise, and I am not even sure to be constitutional.

My sense is that the NSC was at times operationally engaged and successful, and you just cited a number of successes, and success has a thousand fathers, and failure is an orphan. And all of those activities that you cited as successes were not just operations of the NSC. They may have all engaged the same few handful of people at the NSC, but they also engaged the attention and efforts, incredible efforts of other people at the Department of State and the CIA and the Department of Defense.

We could not have done *Achille Lauro* without a personal relationship between an NSC staff member and an Israeli intelligence official, nor could it have been done without a personal relationship between an NSC staff member and the National Security Adviser or between the National Security Adviser and a very high-level Pentagon official, Admiral Art Moreau.

At one point in time, we all had phones up to each ear, one phone with information in and another phone with information

out. It was probably the best example of coordination that could exist, and for those we are given accolades.

And As I described it yesterday, one of the real heroes was Major General Carl Steiner, who was at the far end of the other phones, and those pilots off the carriers with the F–14s. And it all worked like clockwork and everybody smelled good when it was done. And then you end up with one that goes really wrong, and if you think about it, the one that went really wrong exposed another one that had been going pretty good.

People might disagree with it. People might have great policy differences as to how it was handled and great policy differences as to whether or not it complied with Boland, but it had worked. And on balance, I am not real sure that it is absolutely necessary to change a great many things except the process by which we can accord the Congress its constitutional role in being apprised of activities as they are happening.

But when you think about it, there are some who would have said that before I talked to that Israeli intelligence official or before we committed those aircraft or those personnel under General Steiner, we should have had a congressional consultation. If we had had to do that, we would still be looking for the terrorists that killed Leon Klinghoffer.

So what I am saying is, there has got to be a judicious balance, and I am certainly not the man to have to choose it. I believe it has to come about as a consequence of a dialogue between the leadership of the Congress and the Chief Executive.

I don't believe that there ought to be such rigorous proscriptions that when it becomes necessary, like it did on the night of 14th April, 1986, that we cannot take actions without the possibility that those actions would be revealed afore and risk the lives of Americans.

I think those things eventually have to be resolved and they ought to be resolved soon, because, as I have said, this is a nation at risk in a dangerous world, and it is not going to be easier, and I don't think it is going to be more difficult because of the things that Ollie North or John Poindexter or Bud McFarlane did.

I think it is necessary that the administration and the Congress come to an accord as to what would be told and when and how and to whom, and have absolute confidence that if it is done, it won't be revealed beforehand, and if the decision is taken not to do it, that won't be bandied about town; because those are things that create an even more dangerous world.

Mr. CHENEY. A point I would like to touch on briefly if I can, Colonel. There is a long tradition in the Presidency of presidents and their staffs, becoming frustrated with the bureaucratic organizations they are required to deal with, to increasingly pull difficult decisions or problems into the White House to be managed because there is oftentimes no sense of urgency at State or at Defense or any of the other departments that have to be worked with.

And I have seen—obviously we have seen other administrations operate in this fashion. It is a well-established practice, but one wonders if there aren't problems that we encounter in the departments and agencies that automatically lead presidents sooner or

later to move in the direction of deciding that the only way to get anything done, to cut through the red tape, to be able to move aggressively, is to have it done, in effect, inside the boundary of the White House.

I notice one point in one of your PROF messages. I believe you have a comment that it is amazing that Dick Secord can do in 5 minutes what the CIA can't get done in 2 days.

To what extent did that kind of thinking lead to the decisions that your unit should exist and that you should be assigned the duties you were assigned?

Mr. NORTH. I think there was a major—that was a major factor in much of it. There is enormous frustration with the ability to cut through red tape, as I believe it was counsel indicated.

I must confess to being guilty of wanting to cut through red tape, being impatient. There are certainly times for patience and prudence and there are certainly times when one has to cut through the tape. And I think the hope is that one can find that there are good and prudent men who are judicious in the application of—their understanding of the law and understanding of what was right, and I think we had that.

I'm not sure that the great political debates of this land will resolve that friction that exists even within the executive, and I'm not sure that you will ever find a president who is unwilling to wait so long that he doesn't draw things in closer to himself, and in fact, it goes all the way back to the foundation of the Republic where the President himself sends out his own agents to negotiate the Jay Treaty.

By the way, I would point out to someone who made an observation the other day, I didn't get that thing from my lawyers; I wrote it up a year before I ever met him.

And the fact is there will always be times when a president wants to send out his own agents and he should not be proscribed from doing so, and he should be able to do so, unless we are about to change the Constitution.

Mr. CHENEY. In your discussions and your testimony obviously one of the themes that comes through repeatedly is your relationship with various officials of the Israeli Government, Israeli intelligence services, Israeli citizens working apparently as emissaries or on behalf of their government.

Would you call those back channel communications between the President or the President's representatives and the Israeli Government?

Mr. NORTH. "Back channel" has a connotation to it that I am not sure is necessarily——

Mr. CHENEY. I don't mean it in a negative sense at all. I am questioning whether or not, for example, the Secretary of State would be unhappy if he were to discover that the NSC staff were communicating with another country without his knowing about it.

Mr. NORTH. I'm not trying to characterize the Secretary's opinion of me, but my sense is he is very unhappy.

Mr. CHENEY. When he finds out about it?

Mr. NORTH. When he found out about it.

Mr. CHENEY. Can you relate that to us, express his dissatisfaction to you?

Mr. NORTH. I would rather not.

Mr. CHENEY. Can we let the record show that your activities in that regard, though, did generate a certain amount of friction between yourself and key members of the President's Cabinet, or at least in this case——

Mr. NORTH. Apparently so.

Mr. CHENEY. —the Secretary of State.

Apparently so. All right.

I would like to move on, and I will try to end before I use my entire hour so we can get out of here on a Friday night. But, as you know, I have been a strong supporter of the Contra program. You and I worked on it some prior to all of these developments, and we are actively engaged right now in an effort to persuade Congress to renew assistance for the Nicaraguan Democratic Resistance and that vote's going to come up this fall.

And I must admit to a certain ambivalence when I think about the operation you ran because, on the one hand, I am delighted that the Resistance survived, and I am persuaded, based in large part on your testimony, as well as information that comes to me through my service on the Intelligence Committee, that the Resistance might well not have survived—at least certainly not have survived as well as it did during the period the Boland Amendment was in effect—if it had not been for your actions.

On the other hand, I am persuaded that one of the most difficult assignments any president has isn't so much deciding what our foreign policy ought to be; that is oftentimes simple compared to the larger task of building domestic political support to be able to sustain that policy.

It would seem our history is rife with examples—whether it is Woodrow Wilson and the League of Nations or FDR in the period before World War II or Lyndon Johnson in Vietnam—of situations in which presidents have tried to pursue a policy and ultimately have been defeated or found themselves in circumstances where they were unable to build the level of public support required.

Many of us think that one of the most useful contributions this administration may be able to make before the President leaves office is to institutionalize the so-called Reagan Doctrine, the notion that the United States be prepared to intervene to support anti-Communist insurgents in key parts of the world when it is in our interest to do so—Nicaragua, Angola, Afghanistan.

But we have had problems in that regard obviously in Nicaragua with the "off-again, on-again" nature of congressional support, and a lot of that goes right back to our inability so far to be able to persuade the American people that what is at stake in Central America merits the kind of commitment that we have talked about.

I am concerned, or at least I raise the possibility—going back to my comment of a moment ago about my ambivalent attitude toward your support operation—I am concerned about the possibility that the controversy surrounding your activities in connection with supporting the Resistance may generate the kind of political opposition that will make it difficult, if not impossible, for us to be able to renew that assistance later on this year.

What I wonder, and want to ask you to comment on, is whether or not those kind of considerations between, on the one hand, the need to build public support for the program and, on the other, the need to run a covert operation to keep the Resistance alive, were ever discussed within the administration.

Did you ever participate in meetings where administration officials expressed concern about that point? Was there ever a feeling that somehow the covert operation could conceivably jeopardize long-term support for the Contras?

Mr. NORTH. Yes, it did, and I think I answered that question in part earlier. Director Casey was always concerned about that, and I shared that concern.

Nonetheless, I felt—and I am sure it was felt by others, or we wouldn't have pursued it—that although that risk was very high, the risk of having the Resistance annihilated while we waited for the Congress to restore appropriated assistance was even greater, and that in pursuing the activities we did, we at least insure that the Resistance would still be viable, because there was absolute confidence that eventually we would get back to where we knew we ought to be, and that was with an authorized government-sponsored program of support for the Resistance.

My own personal sense is that I would have the greatest burden of all on my soul if what I have done or what I have failed to do as a consequence of supporting the Resistance from 1984 through the resumption of U.S. assistance in 1986 resulted in a cutoff at this point. And I would beg you gentlemen all; that the cause of the Nicaraguan Resistance is our own. And that regardless of whether you judge me to be right or wrong, that what we have done is we have decided once again with $100 million to support a cause that is just.

We have decided to again support an army in the field and a political outcome of democracy in Nicaragua and that if, as a result of what you deem me to have done wrong, you decide to stop that again, that will be compounding a tragedy.

And I am not trying to make a speech, Congressman Cheney. I am making an appeal.

Hang whatever you want around the neck of Ollie North—and I have a few millstones that I have laid before you, and I have tried to do so fully and honestly, as difficult as some of that may be, and it has been difficult—but for the love of God and the love of this nation, don't hang around Ollie North's neck the cutoff of funds to the Nicaraguan Resistance again.

This country cannot stand that, not just because of Nicaragua, but because of all the other nations in the world who look at us and measure by what we do now in Nicaragua, the measure of our whole commitment to their cause. To things like NATO, to things like our commitment to peace and democracy elsewhere in the world.

How far would we have gotten with the efforts of Dr. Sigur in Korea just weeks ago if they didn't really believe that we really wanted democracy? And how long will the people all around the rest of the world who rely on us, abide by us, and stand with us, if they don't believe that we want democracy enough just a few hundred miles from our own borders?

Mr. CHENEY. Thank you very much, colonel.

Mr. Chairman, I believe I have about fifteen minutes left. To the great relief of the committee, it is not my intention to use that time, but I would respectfully request that I be allowed to reserve the time in the event some questions arise between now and the end of Colonel North's testimony.

Chairman INOUYE. According to my clock, you have 20 minutes left.

Without objection, 20 minutes will be reserved for Congressman Cheney.

Mr. CHENEY. And by way of closing, Mr. Chairman, let me again simply thank the witness. Colonel North has been, I think, the most effective and impressive witness certainly this committee has heard, and I know I speak for a great many Americans when I thank him for his years of devoted service to the Nation, both in the United States Marine Corps and as a member of the NSC staff.

Thank you very much, Colonel North.

Mr. NORTH. Thank you, sir.

Chairman INOUYE. The joint committee will stand in recess until 9:00 a.m. Monday morning in this room. However, before doing that, the following exhibits will be entered into the record and made part of the record: OLN 1 through and including 4, 6 to 8, 10 to 35, 40 through 73, 76 through 78, 80 to 81, 83 to 93, 95 to 96, 98 to 155, 158 to 179, 181 to 214, 251 to 333C.

[The exhibits appear at p. 1.]

And the following classified exhibits, which if not declassified prior to publication, will be included in the classified annex: OLN 5, 9, 36 to 39, 74, 75, 79, 82, 94, 97, 156, 157, 180, 334 to 360, 500, 501.

And when we resume our hearings on Monday morning at 9:00 a.m., July 13, our witness will be Colonel Oliver North, and Senator Mitchell will conduct the investigation and the questioning.

[Whereupon, at 5:11 p.m. the hearing was adjourned, to reconvene at 9:00 a.m., Monday, July 13, 1987.]

JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

Continued Testimony of Oliver L. North (Questioning by Members)

MONDAY, JULY 13, 1987

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
AND
HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN,
Washington, DC.

The Select Committees met, pursuant to call, at 9:05 a.m., in room 325, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the Senate Select Committee) and Hon. Lee H. Hamilton (chairman of the House Select Committee) presiding.

Chairman INOUYE. The hearing will please come to order.

The Chair recognizes Senator Mitchell.

CONTINUED TESTIMONY OF OLIVER L. NORTH, FROM JULY 10

Mr. MITCHELL. Good morning, Colonel North.

Mr. NORTH. Good morning, Senator.

Mr. MITCHELL. Good morning, Mr. Sullivan.

Mr. SULLIVAN. Good morning, sir.

Mr. MITCHELL. Colonel, this should be the last day of your appearance. I am sure you are relieved of that.

Mr. NORTH. I am, sir.

Mr. MITCHELL. All right. The questions last week were mostly about the facts. They are important. But it is also important to consider some of the broader policy and legal issues. One of the purposes of the committee is to consider the relevant laws; see how they worked or didn't work in this case, and recommend changes in those laws, if appropriate.

Another is to try to find out how and why these important policy decisions were made and whether we ought to change the manner in which decisions are made.

And I would like to try to do that, at least to some extent, this morning; and so, perhaps, out of all of this we could all learn something.

Now, you said last week that you have obeyed the law. You haven't claimed, and I understand you don't now claim, that you

are in any way above or exempt from the requirements of the law; is that correct?

Mr. NORTH. That is correct, sir.

Mr. MITCHELL. And you agree, don't you, that every American, whatever his or her position, must obey the law?

Mr. NORTH. I do.

Mr. MITCHELL. That is true, even if a person doesn't agree with the particular law?

Mr. NORTH. Yes, sir.

Mr. MITCHELL. Now, if a law is properly enacted and it's constitutional, but that law is in conflict with the President's policy, domestic or foreign, which is controlling, the law or the President's policy?

Mr. NORTH. Well, certainly, as I have indicated in my earlier testimony, the law is the law, and as you have also indicated in my testimony, I do not believe that any of us are above the law and certainly in this case, while I am not a lawyer, and do not profess to be able to play the various issues pro and con, I continue to believe that the President's policy was within the law, that what we did was constitutional in its essence, that the President's decisions to continue to support the Nicaraguan Democratic Opposition in the way that they were carried out from 1984 through my departure in 1986 fully fit within the strictures of the particular statutory constraints that were contained in Boland.

And so, I don't see, Senator, that there is a distance at all between what was passed and what we did. Certainly, there are folks who can argue the constitutionality of Boland as to whether or not the Congress has the authority to tell a President that he can or cannot ask a head of state or send his agents, in this case myself, out to talk to foreign leaders.

It is my understanding of the Constitution and the laws that there is no separation between what we did and the Boland constraints. In my going out to talk with foreign Heads of State or foreign leaders or to arrange for non-U.S. Government moneys to be used, that met the rigorous constraints imposed by Boland.

Mr. MITCHELL. And I, of course, have not suggested that. I have only asked, and I believe you have agreed that if a properly constituted law has been enacted and it's constitutional, that even though it conflicts with the President's policy, the President—I have only asked that—and I think it is rather an unremarkable question, that when a law of the United States is properly enacted and it's constitutional, even though it conflicts with a President's policy, the President or members of the Executive Branch, and indeed all Americans, must obey that law?

Mr. NORTH. I have no debate with that whatsoever, Senator. What I would not want to leave the record lacking on is the fact that I think there are many people who debate whether or not the issue of Boland, as it is interpreted by a number of different people, applied.

Mr. MITCHELL. I am not debating that, and I think the record is very clear on your view on that, sir. Now, as I said, one of the purposes of this committee is to find out how and why these important policy decisions were made, and I speak now particularly with respect to the sale of arms to Iran.

So, I would like to ask you a few questions about that. You have testified that the Iranians with whom you dealt in both what have been called the first and the second channels included officials of the Government of Iran; am I correct in that?

Mr. NORTH. Yes.

Mr. MITCHELL. Now, you and the other persons meeting with the President on this matter were aware, weren't you, that the President had been highly critical of the Iranian Government. In a widely reported speech in July of 1985—just a month before the first shipment of arms from Israel to Iran—which the President agreed to—the President described Iran as an outlaw state run by the strangest collection of misfits, looney tunes, and squalid criminals since the advent of the Third Reich.

To your recollection, during the meetings you attended with the President, with others, did anyone in your presence specifically point out to him that his representatives were dealing with officials of that same Government of Iran, point out that statement to him, and point out the at least apparent inconsistency in the two, and the problems that might cause for him?

Mr. NORTH. That particular issue was not addressed in the meetings that I attended with the President on this matter. But what I think is important is that we clearly attempted to establish contact and ultimately the objective of a strategic dialogue with pragmatic or moderate or less unreasonable elements of the Iranian Government, and even, if we could have, people who were willing to bring about a cessation of terrorism, a more pro-Western view of the world, an end to Shiah-sponsored revolutionary fundamentalism, and ultimately secure the relationship between the United States and Iran to the point where we could bring about an end to the Iran-Iraq war.

The characterization of the Iranian Government I don't take any issue with; but the fact is that there are people in their government of differing political philosophies who see the long-term benefit to their country as well as to the rest of the world in achieving the kinds of things that we sought out or set out to ultimately achieve.

The problem that is created is matching one set of words with another set of policy goals that were not publicly stated. And yet, I see nothing inconsistent with the fact that the characterization of the Iranian Government as the President made it vividly clear does not in any way prevent trying to establish contact with a more reasonable channel within it.

Mr. MITCHELL. Right. Well, in fact, the President's publicly-stated policy at that time was not to provide arms to Iran and to work actively to keep other nations from doing so. As you will recall, in 1984, the Secretary of State had branded Iran a country which has repeatedly provided support for acts of international terrorism. And by his action, he placed Iran on a list of countries to which American arms could not be shipped.

And the President's publicly-stated policy on terrorism was that there would be no negotiation, no payments, no ransom of any kind to obtain the release of terrorists. In fact, I think in about that same time as he made the speech on Iran, the President said, and I quote, "America will never make concessions to terrorists. To do so

would only invite more terrorism. Once we head down that path, there will be no end to it."

Now my question is, am I correct that every person dealing directly with the President on this matter was a member of the Executive Branch and, therefore, subordinate to and totally dependent upon the President?

Mr. NORTH. When you say this matter, you are referring to——

Mr. MITCHELL. The Iran——

Mr. NORTH. The Iranian——

Mr. MITCHELL. —Advising him on the issue of the sale of arms to Iran?

Mr. NORTH. To my knowledge that is correct. I do not know of any others that specifically talked to the President regarding our Iran initiative. But in the records I turned over to the committee, and in some of the documents that were removed from my office and provided by the White House to this committee, it is very clear that there were a number of other initiatives ongoing, some by Members of Congress, both Houses, both sides of the aisle, who had an interest in some kind of dialogue with the Iranian government for the purposes that were identical to the ones that we pursued, perhaps more vigorously than some would agree.

Nonetheless, there were a number of other initiatives undertaken by private Americans, by Senators, by Congressmen to get to a faction within Iran that would be more moderate.

I would also take issue, Senator, with one of your comments. To my knowledge, we have never said nor should we say that we will not negotiate. We have a policy of no concessions. We have a policy that is very clear, and I still do not to this day believe that we made concessions to terrorists. We were dealing again in hopes of establishing a dialogue, a strategic dialogue, with elements within Iran that could bring about a more pro-American, pro-Western, anti-terrorist philosophy within that country.

Mr. MITCHELL. And I understand and appreciate your point of view, as I'm sure you understand and appreciate that there are others who would characterize these events different from you do. But the point is that every person advising the President was his subordinate and when the Finding authorizing the sale of arms to Iran was signed by the President, it specifically directed that no one in the Congress be notified of the covert action. You recall that, your testimony to that effect?

Mr. NORTH. I do.

Mr. MITCHELL. And you said that the reason for that was concern over leaks and the problem that because it might be leaked it would jeopardize the action. And you've in the course of the last several days expressed very forcefully that point of view. I raise that because there's another point of view on that same issue that hasn't been expressed, and I would like to do that now. Because I think we ought to have the benefit of all points of view on this as we consider what we should do about this law which is so very difficult.

Now in our democracy, public policy is made in public. It's the product of open, competitive debate. There are two reasons for that. The first is that the American people have a right to know what their government is doing and why. And the second is our

belief that if all points of view are heard, especially opposing points of view, the person making the decision is more likely to make the right decision. The decision that is in the national interest.

Open debate is one of democracy's greatest strengths. Its absence is one of the great weaknesses of totalitarian societies. Now I believe it's one of the reasons why freedom is going to win the worldwide struggle in which we are now engaged. Now when covert action is necessary, as it is from time to time, obviously there can't be an open debate. And that is a real loss, especially to the decision maker who is deprived of the full range of opinion on an important issue.

So the law tries to compensate for that, at least to some extent. It requires the President to notify just eight of the top congressional leaders, four from each party. He either can notify the Intelligence Committees, or at his option, he may choose to notify just eight of the top congressional leaders, four from each party.

Now the reason for that law, at least one reason, is to give the President the benefit of different points of view. Each of the congressional leaders is elected independently of the President, is therefore not subordinate to and dependent upon him, and more likely to give the President the frank advice that any President needs in making these very difficult decisions.

Now, of course, the concern which you expressed about leaks is a real one. There have been leaks by Members of Congress, and I believe every member of this committee joins me in dismay when a Member of Congress leaks sensitive information. But let's be clear. The fact that a few Members of Congress leak doesn't mean that all Members of Congress leak. Just as the fact that some members of the Administration leak cannot be fairly said to mean that all members of the administration leak.

Now obviously, not just in these matters, but in life generally, every time you tell one person a secret you increase the odds that the secret won't be kept. And so there has to be a judgment. How much benefit does the President get from the advice of independently elected congressional leaders against how much the risk of leaks increases by their knowledge.

Now let's apply that to the facts of this case. Many people in the Executive Branch of our government knew. Private American citizens, some without security clearances, knew. Some Israelis knew, some of them government officials, some private citizens. Some Iranian officials knew. Some Canadians knew. At least one Saudi Arabian knew. And Mr. Ghorbanifar, an Iranian citizen, who you said is an Israeli agent and who you and others have described as a liar and a cheat, he knew.

In those circumstances, how much would the risk of disclosure have been increased by telling eight of the highest elected officials in the U.S. Congress, and against that, how much did the President lose when he was deprived of the independent advice of those eight officials?

Every person will make his or her own judgment on those questions. I just want to say that for myself, I am convinced that if the President had told these independent public officials of his intention to sell arms to Iran, to swap arms for hostages, to pursue a private policy that directly contradicted his public policy, at least

some of them—maybe Lee Hamilton, or Dick Cheney, or Bob Dole, or Bob Michel—some of them would have said before the fact what the American people have said after the fact: "Mr. President, we respect and admire your concern for the hostages, but it is a mistake to sell arms to Iran. It is a mistake to swap arms for hostages, for you and for the country. Don't do it."

Perhaps then the President would have chosen another course. We'll never know, but I thought it important that at least that point of view be expressed, the point of view which has not been expressed so far with respect to that provision of the law which I believe to be an important one.

Now, that whole area of covert operations is one which this committee will have to explore in detail, and I'd like to get into that and ask you some questions about that.

You made a strong statement in favor of covert action. General Secord made a similar statement when he was here. Let me assure you there's no dispute on the need for some covert action. I know of no Member of this committee who favors prohibiting all covert action. We all recognize that there are going to be circumstances in which the United States simply must conduct covert actions in the national interest, but the problem is that covert actions by their very nature conflict in some respects with democratic values.

You've said that covert actions require secrecy and deception. Our democratic process places a high value on the very opposite characteristics of openness and truth. So the real question and the much more difficult question is how to conduct covert operations in an open, democratic society in a lawful manner, in which public officials are accountable for their acts.

And so my first question is, do you believe that the President has unrestricted power to conduct covert action?

Mr. NORTH. Within the limits of the constitutional authority to prosecute the foreign policy of the United States, the President has a very wide mandate to carry out activities, secretly or publicly, as he chooses.

Well, I do not believe that the things that we did in pursuing the two principal covert actions we have discussed and some of the subsidiary activities that were pursued as a consequence of the revenues generated were in any way prohibited. And the fact is that the President, since the founding of the Republic, has always held that he could send his agents, he could discuss things and negotiate with foreign leaders, and to do so within the framework of the constitutional authority as the head of state and the Commander in Chief has widely been held to be within his Presidential purview.

There are certainly those who can debate whether or not a certain period of time is appropriate for notification, given the constraints of Hughes-Ryan and the National Security Act, and I am certainly not going to sit here and debate them with you.

My sense is that we are going to agree to disagree at the end of this hearing on how wide and perhaps even how deep the Presidential authorities go.

Mr. MITCHELL. Well, let's look at the current law, which I think we can agree isn't working very well, and you said last week there must be a better way. If there is one, it is part of our job to find it.

Mr. NORTH. When I was saying there must be a better way, Senator, I was talking—I hope I was responding to a question on notification and seeking the advice of Congress.

Mr. MITCHELL. Well, I want to get to the law. And, first, the law requires that the President personally make a Finding that the action is important to the national security of the United States and authorize it before a covert action can occur. Do you agree with that provision of the law?

Mr. NORTH. That is my understanding of the statutes pertaining to covert action.

Mr. MITCHELL. Right. Do you agree——

Mr. NORTH. Let me, if I may, just continue.

Mr. MITCHELL. All right.

Mr. NORTH. It is my understanding, again—and I don't have the statute in front of me—that it also applies to the fact that the President need do so when he is going to use appropriated moneys for the pursuit of one of those covert actions. And again, I do not have the statute before me. I'm not sure that it pays to have a professional lawyer and an experienced jurist debating with a lieutenant colonel infantry officer on this issue.

Mr. MITCHELL. It is an important issue. You have been involved in covert actions. You held a high position in the government.

Mr. NORTH. I would even debate that part with the Senator.

Mr. MITCHELL. Do you agree that no covert action should occur unless the President first finds that it is necessary and specifically authorizes it?

Mr. NORTH. Again, I want to go back to what I just said a moment ago. I'm leading with my recollection unrefreshed, but the law provides that the President does, or makes a Finding in the case of covert actions which will expend taxpayers' moneys.

Mr. MITCHELL. Is it your—you've said that twice now. Is it your contention that the President could authorize and conduct covert actions with unappropriated funds? Is that the point you are trying to make?

Mr. NORTH. Yes.

Mr. MITCHELL. And in such event, to whom would the President be accountable?

Mr. NORTH. To the American people that elected him, Senator. And that's one of the issues that came up the other day, that no elected official knew A, B, or C, and my point is the President is the highest official in the land answerable to the American people and ultimately, under the Constitution, answerable to the people through a variety of means, re-election—they can vote him out of office. They chose not to do so.

Mr. MITCHELL. But of course, if by definition covert action is secret and he doesn't tell them about it, there is no way the American people can know about it to be able to vote him out of office on that basis, is there?

Mr. NORTH. But, in fact, that is the issue I tried to raise in the letter that I wrote well before I ever met counsel.

When I was talking about the Jay treaties, it was not that President Washington in any way was not cooperative with the Congress; he simply refused to lay before the Congress all of what had gone on in the negotiation of those treaties.

That was debated again in the 1930s in the *U.S.* vs. *Curtiss-Wright Export Corporation,* and the Supreme Court held again that it was within the purview of the President of the United States to conduct secret activities and to conduct secret negotiations to further the foreign policy goals of the United States.

Mr. MITCHELL. If I may just say, Colonel, the *Curtiss-Wright* case said no such thing. It involved public matters that were the subject of a law and a prosecution—you said this isn't the appropriate form to be debating constitutional law, and I agree with you.

I just think the record should reflect that *Curtiss-Wright* was on a completely different factual situation and there is no such statement in the *Curtiss-Wright* case.

Mr. SULLIVAN. I disagree with you. I think it is a little unfair—to have a debate with Colonel North——

Mr. MITCHELL. I just said that there was no point in debating it. Let me get to this specific covert action.

Mr. SULLIVAN. If I could suggest, sir, if you ask him what he did, what the facts were, what his understanding was at the time, rather than get into a general debate about what the law is, it might be more helpful to the committee.

Mr. MITCHELL. Colonel, you testified earlier about the Contra resupply effort and your role in it. You said, "This was a covert operation run by the U.S. Government."

You said, "We were conducting a covert operation." And you testified that Director Casey described it as a full-service covert operation.

Now, under the law, for any agency of government other than the Central Intelligence Agency to conduct a covert operation, three things must occur. The first is that the President must specifically designate that agency to conduct covert operations; the second is that the President must make a Finding authorizing this particular covert operation and Finding it in the national interest.

Now, in this respect, I will start with these two.

You have already testified that the President did not make a Finding authorizing the Contra resupply covert operation; is that correct?

Mr. NORTH. I have seen no Finding.

Mr. MITCHELL. Did the President specifically designate the National Security Council to conduct covert operations?

Mr. NORTH. I have no specific knowledge of that, as I have testified. I've told you what I know about the decision process that obtained in that case.

Mr. MITCHELL. And the third thing the law requires is that Congress be notified and as you testified that did not occur?

Mr. NORTH. Senator, if I may—not to interrupt—and respectfully so—but the law, as I understand it, requires the President notify the Congress in a timely manner. That has not been noted. And, second of all, it is in regards to operations involving the use of appropriated funds. And I think that those are important omissions that have not been entered in the record.

Mr. MITCHELL. All right. Then let me go back to the first two, then.

Since the law and President Reagan's written instructions required that before the National Security Council could conduct a

covert operation the President had to specifically designate the National Security Council for that purpose and, secondly, since the law requires that before any covert action could be conducted the President must specifically authorize it—since you have testified that you conducted a covert operation and since you further testified that the President neither designated the National Security Council to conduct covert operations nor did he make a Finding authorizing this covert operation, what was the legal basis for your activities with respect to this covert operation?

Mr. NORTH. To go back once again to *Curtiss-Wright*—because I do believe it does speak to the issue of what the President can or cannot do with his own staff. And I believe it does talk to the issue of conducting secret diplomacy—the fact is, the President can do what he wants with his own staff.

The National Security Council staff is not included within the constraints that are depicted in either the Executive order or the NSDD as an intelligence agency. And thus in neither case does the law provide that the President had to do what you are saying he had to do.

Mr. MITCHELL. Well, I hand to you a copy of President Reagan's order.

Mr. NORTH. You are referring to NSDD 159.

Mr. MITCHELL. Yes, right. This is the first page of an order signed and approved by President Reagan, and the first sentence of paragraph no. 2 reads: "In accordance with Executive Order 12333, the Central Intelligence Agency shall conduct covert actions unless the President specifically designates another agency of the government."

Now, that is not limited to other intelligence agencies; I think a fair reading of that can only mean that no agency of government can conduct a covert action, other than the Central Intelligence Agency, unless the President specifically designates that agency for that purpose.

You have testified that, as a member of the National Security Council staff, you conducted a covert operation. And my question is: did the President specifically designate the National Security Council staff for that purpose?

Mr. NORTH. Again, I think we are going to end up agreeing to disagree, Senator. I think what I have said consistently is I believed that the President has the authority to do what he wants with his own staff, that I was a member of his staff, that Mr. McFarlane was and that Admiral Poindexter was, and that in pursuing the President's foreign policy goals of support for the Nicaraguan Resistance he was fully within his rights to send us off to talk to foreign heads of state, to seek the assistance of those foreign heads of state to use other than U.S. Government moneys, and to do so without a Finding.

I would also point out again that that language right here in paragraph 2 of the NSDD extract that you have is taken directly from the Executive order.

Mr. MITCHELL. That is right.

Mr. NORTH. An Executive order signed by the President. This NSDD was signed by the President. If the President chooses to waive his own Executive orders or chooses to waive the provisions

of his own NSDDs which do not have the force of law, it is fully within his rights to do so.

Mr. MITCHELL. But the President told the Tower Board, and I quote: "The President told the Board on January 26, 1987 that he did not know that the NSC staff was engaged in helping the Contras," and therefore, the President could not have waived the provisions of the orders as you have described, and could not have so designated the NSC if, as he said, he did not know that the NSC staff was engaged in helping the Contras, could he?

Mr. NORTH. You are asking me to speak for the President and what he said to the Tower Board, and I have not talked with the Tower Board, nor was I there when he did. The fact is, as I have testified for 4 straight days, I—and I think there is no one on this committee that would debate it—kept my superiors fully apprised of just exactly what I was doing.

They were, and I was a member of the President's staff. The President has since said, I believe publicly, that he was aware of what was being done, and that in fact it was at least partially his idea.

There is no doubt that the President wanted the policy of support for the Nicaraguan Resistance pursued, and I did so to the very best of my abilities.

Mr. MITCHELL. Well, I think you are right, we will agree to disagree. So I take it your position is that your understanding of the President's general knowledge of what you were doing represented—your standpoint, a specific designation by the President of the NSC to conduct such activities, and with respect to a Finding, I gather it is your position that no Finding was necessary in any event.

Mr. NORTH. That is, sir.

Mr. MITCHELL. All right. Thank you.

I would just note again that there is another point of view that should be expressed, which is that the law and President Reagan's own orders specifically set forth the means by which covert actions would be approved and conducted.

They represent an attempt to balance the difficult and conflicting interests of conducting covert operations in a democracy, and I think that the only way covert actions can be conducted in a manner consistent with democracy is if those laws and orders are followed, and I simply think it is obvious in this case that there is at least a question about that.

So, we will just leave it——

Mr. NORTH. If I may just respond to that?

Mr. MITCHELL. Go right ahead, Colonel, yes.

Mr. NORTH. As I have also testified, I came here to tell you what I did and what others told me to do or allowed me to do, however one wants to characterize it, not so much to take positions on this or that aspect of the law, because I am not a lawyer.

I think what is also important is that we believed, certainly I believed, that what we were doing was consistent within that, the constraints of the various statutes and laws. And, lastly, I have told the committee that as early as June of 1986, I, not the Tower Commission, proposed in the public speech to the American Bar Association that there were indeed problems, and recognizably so,

in the conduct of covert operations in a democracy. And I—if nothing else, we can agree on the fact that there is a need for an appropriate way of conferring with the Congress, and I suggested as one means of doing that the formation of a very discreet Joint Intelligence Committee with a very small and professional staff that would allow those types of—advise and consult conferences to occur between the Executive and the Legislative branches.

Mr. MITCHELL. I would like to turn now to another area of your testimony, and that is the plan you described for you to take the blame for this matter. You said Mr. Casey called it the fall guy plan.

Over what period of time did your discussions with Mr. Casey occur about this plan? That is, as best you can recall, when did it first come up, and when did you last discuss it with him?

Mr. NORTH. My sense of the discussions with the Director on that aspect of it, it probably began in the early spring of 1984. It was a time in which the money for the Resistance was running out, and as members of the Intelligence Committees know, appeals had been made to the Intelligence Committees for the release of certain moneys that could be applied to the program.

It was seen that that was not to be forthcoming, and at that point in time when alternatives were discussed and we eventually decided to pursue availing ourselves of offers from foreign governments, it was seen that there would need to be someone who could, as I put it so bluntly, take the fall.

My sense is that that occurred off and on, periodically, as we discussed various initiatives over the course of time between early 1984 until the end of my tenure right up at the last days before I departed the NSC in November of 1986.

Mr. MITCHELL. Now, you testified that the purpose of the plan was to limit the political embarrassment that might result—you are shaking your head no?

Mr. NORTH. It was not only to limit the political embarrassments.

Mr. MITCHELL. That was in part a purpose?

Mr. NORTH. In part.

Mr. MITCHELL. From disclosure of these events. And my question is when you said that, did you mean either the sale of arms to Iran, or the use of proceeds from the sale for the Contras, or the Contra resupply effort, or all of them?

Mr. NORTH. All of them. In fact, one must recall that it goes back to the spring of 1984, before there was any Iran initiative, and the discussion was, you needed to have the plausible deniability which ought to be a part of any covert operation.

Mr. MITCHELL. Now, did you ever discuss this subject with anyone else, either in or out of Mr. Casey's presence?

Mr. NORTH. I discussed it with Admiral Poindexter and Mr. McFarlane, and I don't recall whether Director Casey was there for all or any of those discussions necessarily.

Mr. MITCHELL. I see.

Mr. NORTH. But I certainly did talk to both of them about it.

Mr. MITCHELL. Do you know, of your knowledge, whether Mr. Casey discussed it with anyone other than Mr. McFarlane and Mr. Poindexter?

Mr. NORTH. I don't know.

Mr. MITCHELL. All right. So, to your knowledge, at least, the only four people who were aware of the plan and who participated in discussions about it were you, Mr. Casey, Mr. Poindexter, and Mr. McFarlane; is that correct?

Mr. NORTH. Well, I have also been asked questions about, did I say it to such and so, or another witness, or whatever, and I suppose that I did.

Mr. MITCHELL. Something like that?

Mr. NORTH. Yes.

Mr. MITCHELL. I was going to ask you about that later. I'll ask you about that now.

In a recent magazine article, you are quoted as telling friends beginning in 1984 that "the day will come when I have to resign in disgrace from the administration and take the heat for the President."

Did you ever say that or something like that to anyone?

Mr. NORTH. First of all, I would like to make sure that you understand, Senator, I haven't read a magazine article or anything else about myself in some time, except as other people bring it to my attention. And second of all, I've seen my words mischaracterized, misquoted, and ascribed to other people for so long I wouldn't want to indicate I actually agreed with anything.

But I'm sure that I said something like that at various points in time. I certainly said it to the committee.

Mr. MITCHELL. Now, did the suggestion that you be the fall guy originate with you or with Mr. Casey?

Mr. NORTH. My guess is it was probably Director Casey. I mean, we—I've tried to describe the relationship I had with the Director, and at some points it was that of a teacher or a philosophical mentor, in some cases it was that of an experienced hand in intelligence matters, or in some cases just getting the job done. And I would guess that Director Casey was the one who pointed out that there would come a time when there would need to be, if these activities were exposed, somebody to stand up and take the heat for it, or those kinds of words.

Mr. MITCHELL. So your recollection is that it was Mr. Casey who——

Mr. NORTH. I'm not sure that Director Casey ever said, "It has to got be you, Ollie." It was probably Ollie saying, "Well, when that happens, it will be me."

Mr. MITCHELL. You also said at one point Mr. Casey said you might be too junior a person to be the fall guy, that there wouldn't be plausible deniability then, and he—excuse me, may I finish the question—suggested that Admiral Poindexter might have to be a fall guy. Do you recall that testimony?

Mr. NORTH. I'm not sure that—I recall that kind of thing happening right toward the end. I mean that wasn't at some point during the earlier phases of this activity. I think it was after the revelations of the McFarlane trip and the press queries about it here in this country.

And at some point, probably after the first week of November, talking with Director Casey, or in that timeframe, Director Casey

indicating "you're not big enough, buddy; it's probably going to go higher."

Mr. MITCHELL. And my question is, did you or anyone else ever tell Admiral Poindexter that he was under consideration as the fall guy?

Mr. NORTH. I don't recall a specific conversation, Senator, that I said, "Boss, it's now you, not me." I do recall, again right towards the end, discussing with Admiral Poindexter the fact that it was more likely that both of us would leave.

Mr. MITCHELL. So did anything ever become of that suggestion?

Mr. NORTH. We both left, sir.

Mr. MITCHELL. You both left. So—it may turn out that Mr. Casey was more correct than he realized at the time.

Mr. NORTH. He was right about a lot of things, Senator.

Mr. MITCHELL. During your discussions with Mr. Casey, Mr. McFarlane and Mr. Poindexter about the plan, did a question ever arise among you as to whether what was being proposed was legal?

Mr. NORTH. In which case? Across the board on all activities?

Mr. MITCHELL. No, on the plan, the fall guy plan. I'm limiting it to that now.

Mr. NORTH. Oh, no, I don't think it was—first of all, we operated from the premise that everything we did do was legal and therefore the fact that there would be somebody who took the blame, as it were, was not inconsistent, I don't think, with any of the rest of what we did.

Mr. MITCHELL. So your answer is, no, there was no discussion?

Mr. NORTH. I do not recall any discussion about the legality of some guy standing up and saying, "I did it all, and I'm gone." I don't recall any such discussion.

Mr. MITCHELL. Did a question ever arise as to whether what was being proposed was appropriate since it necessarily involved false statements by high public officials?

Mr. NORTH. No, in fact, I'm not sure they are false. I think you have before you the culprit who did all these things, and has come here and testified to that.

Mr. MITCHELL. Well, of course, you didn't intend that there would be such an investigation and such testimony.

Mr. NORTH. I surely hoped that there wouldn't be, Senator.

Mr. MITCHELL. In fact, you said that neither you nor anyone else anticipated the possibility of a criminal investigation and that, but for the criminal investigation, you were prepared to go through the plan, resign in disgrace and take the heat for the President?

Mr. NORTH. That's correct.

Mr. MITCHELL. But you said that because of the criminal investigation, you changed your mind and decided to protect yourself.

Mr. NORTH. Exactly.

Mr. MITCHELL. Now, after you changed your mind, did you tell Mr. Casey that you had done so?

Mr. NORTH. I had no discussions with Director Casey on the day that my mind changed, and that was the 25th of November. And never talked to him again, unfortunately.

Mr. MITCHELL. And after you changed your mind, did you tell Admiral Poindexter or Mr. McFarlane that you had changed your

mind and that because of this pending criminal aspect, you no longer intended to be the fall guy in the fall guy plan?

Mr. NORTH. They probably learned it when I appeared here, sir.

Mr. MITCHELL. Probably not a happy day for Admiral Poindexter listening to your testimony last week?

Mr. NORTH. I don't want to characterize how the admiral feels. I have not talked to the admiral in months.

Mr. MITCHELL. Really, you have answered my questions, and it was, as I understanding your earlier testimony, that there simply wasn't any question about whether it was legal or appropriate. You assumed the legality of your actions.

Mr. NORTH. Again, I want to emphasize the fact it wasn't so much for any political motive on the part of any of the participants so much as it was an effort to protect the detailed knowledge of what had transpired and protect the covert operations themselves. And, again, none of us, to my recollection, ever discussed a legal propriety aspect to the whole thing.

Mr. MITCHELL. By then, however, Congress had resumed aid to the Contras and the covert action was no longer necessary, was it? Indeed, it had been terminated. What would be the need to protect that action by making up a false story about it?

Mr. NORTH. Well, I'm not so sure how the false story aspect really obtains in this case, Senator. To have this guy stand up and say, I did it, and have the finger pointed at him and let him go protects the people with whom I worked in Central America and elsewhere, protects the lives and safety of people inside Nicaragua. Protects the people in Europe who worked with us on these activities, protects the lives of people who worked in the Lebanon with us, the lives of the people inside Iran who worked with us, the lives of the American hostages.

I mean if one could prevent those things from coming out ultimately we would be well served.

Mr. MITCHELL. My question was limited to the Contra resupply effort which of course was only indirectly related to the hostage situation. But I want to—my time is nearly up and I want to make some closing observations, because you have, as I indicated, expressed several points of view with respect to which there are other points of view, and I think they ought to be expressed, and I would like to do that now.

You have talked here often and eloquently about the need for a democratic outcome in Nicaragua. There is no disagreement on that. There's disagreement as how best to achieve that objective. Many Americans agree with the President's policy; many do not. Many patriotic Americans, strongly antiCommunist, believe there's a better way to contain the Sandinistas, to bring about a democratic outcome in Nicaragua and to bring peace to Central America.

And many patriotic Americans are concerned that in the pursuit of democracy abroad we not compromise it in any way here at home. You and others have urged consistency in our policies, you have said repeatedly that if we are not consistent our allies and other nations will question our reliability. That is a real concern. But if it's bad to change policies, it's worse to have two different policies at the same time: one public policy and an opposite policy in private. It's difficult to conceive of a greater inconsistency than

that. It's hard to imagine anything that would give our allies more cause to consider us unreliable than that we say one thing in public and secretly do the opposite. And that's exactly what was done when arms were sold to Iran and arms were swapped for hostages.

Now, you have talked a lot about patriotism and the love of our country. Most nations derive from a single tribe, a single race; they practice a single religion. Common racial, ethnic, religious heritages are the glue of nationhood for many. The United States is different; we have all races, all religions, we have a limited common heritage. The glue of nationhood for us is the American ideal of individual liberty and equal justice. The rule of law is critical in our society. It's the great equalizer, because in America everybody is equal before the law. We must never allow the end to justify the means where the law is concerned. However important and noble an objective, and surely democracy abroad is important and is noble, it cannot be achieved at the expense of the rule of law in our country. And our diversity is very broad.

You talked about your background and it was really very compelling, and is obviously one of the reasons why the American people are attracted to you.

Let me tell you a story from my background. Before I entered the Senate I had the great honor of serving as a federal judge. In that position I had great power. The one I most enjoyed exercising was the power to make people American citizens. From time to time I presided at what we call naturalization ceremonies; they're citizenship ceremonies. These are people who came from all over the world, risked their lives, sometimes left their families and their fortunes behind to come here. They had gone through the required procedures, and I, in the final act, administered to them the oath of allegiance to the United States, and I made them American citizens. To this moment, to this moment it was the most exciting thing I have ever done in my life.

Ceremonies were always moving for me because my mother was an immigrant, my father the orphan son of immigrants. Neither of them had any education and they worked at very menial tasks in our society. But because of the openness of America, because of equal justice under law in America, I sit here today a United States Senator. And after every one of these ceremonies I made it a point to speak to these new Americans, I asked them why they came, how they came, and there stories, each of them, were inspiring. I think you would be interested and moved by them given the views you have expressed on this country.

And when I asked them why they came they said several things, mostly two. The first is they said we came because here in America everybody has a chance, opportunity. And they also said over and over again, particularly people from totalitarian societies, we came here because here in America you can criticize the government without looking over your shoulder. Freedom to disagree with the government.

Now, you have addressed several pleas to this committee, very eloquently. None more eloquent than last Friday when in response to a question by Representative Cheney you asked that Congress not cut off aid to the Contras for the love of God and for the love of

country. I now address a plea to you. Of all the qualities which the American people find compelling about you, none is more impressive than your obvious deep devotion to this country. Please remember that others share that devotion and recognize that it is possible for an American to disagree with you on aid to the Contras and still love God and still love this country just as much as you do.

Although he's regularly asked to do so, God does not take sides in American politics. And in America, disagreement with the policies of the government is not evidence of lack of partriotism.

I want to repeat that: in America, disagreement with the policies of the Government is not evidence of lack of patriotism.

Indeed, it is the very fact that Americans can criticize their government openly and without fear of reprisal that is the essence of our freedom, and that will keep us free.

Now, I have one final plea. Debate this issue forcefully and vigorously as you have and as you surely will, but, please, do it in a way that respects the patriotism and the motives of those who disagree with you, as you would have them respect yours.

Thank you very much, colonel.

Mr. Chairman, I have no further questions.

Chairman INOUYE. The session will stand in recess for 10 minutes.

[Brief recess.]

Chairman INOUYE. The Chair recognizes the gentleman from Virginia, Senator Trible.

Mr. TRIBLE. Thank you, Mr. Chairman.

Colonel North.

Mr. NORTH. Senator.

Mr. TRIBLE. At the outset, let me thank you for your testimony over the past week. And I want to tell you as well that there are many of us on this panel that support Ronald Reagan and that believe in the Contra cause.

I should note that there's been absolutely no evidence of wrongdoing on the part of our President, and I, like you, believe that the essence of the American experience is the pursuit of freedom, at home and around the world. That's why we must oppose the Marxist tyranny in Nicaragua and that's why we must help young Nicaraguans fight for their freedom as well.

The last week has not been an easy one for any of us. It has been a time of probing questions and honest answers on your part. And you have done well. You have captured the imagination of the American people, and you have done that, I think, because you've told the truth, fully and candidly, because you are a man who is obviously doing his duty as he saw it, and because you were acting with the knowledge and authority of your superiors. You've also demonstrated an amazing ability to get results in a city so often tied in knots.

I know it has been a difficult time for your family. But I believe these hearings are necessary. Anyone who values truth, the Constitution, the rule of law, must be troubled by what we've heard over the last 10 weeks. For when public policy is taken private, when Government attempts to operate outside of established channels,

there are no checks and balances, there is no accounting or oversight, and as a consequence, people—good people—and policy get into big trouble, and that's what we have seen.

President Kennedy used to tell a story that I believe captures the spirit of these hearings. In June of 1780, there was a total eclipse of the sun. At noon, it was as dark as at midnight. And in those days, as you know, people attributed this kind of happening to the Day of Judgment, to the coming of the Lord.

The Connecticut legislature was meeting at Hartford and the members were thrown into chaos and there were motions to adjourn. The Speaker of the House, Colonel Davenport, silenced those motions with his gavel and he spoke these words. He said: "Gentlemen, I don't know if the world is coming to an end or not. If it is not, there's no reason to adjourn. But if it is, I want the Lord to come and see me doing my duty, so, therefore, I will entertain a motion that candles be brought into this chamber so we may enlighten this hall of democracy."

Our duty is to light a candle so the American people can see and judge what has gone on. It is not an easy job or a happy one. But it is one that must be done.

Now, an obvious problem when public policy goes private is that the distinction between the public good and private ends is often blurred. Private citizens may be motivated by profit and pursue interests that are inconsistent with the goals of the United States.

Now, Colonel North, it is clear to me and it is clear to the American people that you are motivated by ideals, by love of country, and not the pursuit of profit. You've spoken eloquently and powerfully about that before us. But I'm not sure the same thing can be said about everyone involved in your activities.

So what I'd like to do, with your help, is to ask some questions about the financial aspects of the Enterprise directed by Mr. Hakim and Mr. Secord.

Last Wednesday you testified that you understood Hakim and Secord would be compensated, and I quote, "at a just, fair, and reasonable compensation." Is that correct?

Mr. NORTH. I'll take your word, Senator, that that's what I said when I said it, and that's certainly what I felt and what we had talked to.

Mr. TRIBLE. Now, the evidence from Mr. Hakim himself, and from his records establishes that he and Secord amassed over $8.1 million in the bank accounts. Did you know those huge sums of money were being socked away?

Mr. NORTH. Senator, my recollection is that what I testified to is that I did not know the magnitude of the funds that were remaining in whatever accounts. I didn't know the names or numbers of any but one. And that was the Lake account, which I also provided, for example, to the State Department for use by Brunei, and I provided it to representatives of another country for the moneys that they were providing to support the Resistance.

I think I also testified to the effect that I had asked on a number of occasions to General Secord, who, after all, was the man that I engaged in this activity at the suggestion of Director Casey and with the approval of my superiors, that I had asked on a number of occasions that General Secord set funds aside for other activities. I

testified in executive session as to what some of those other activities were and I have not gone back to say that if I'd added up all of those other activities, it would have come out to be $20 million that I had asked them to set aside. I don't know what the final tally would be.

The important thing is that I did not know that there was that sum remaining. I do not know the purposes for which that sum was set aside. I did not know the accounts or the names or numbers on any of those. And I certainly never considered that a penny of that was mine. And I have also testified that were I to be the adjudicator of where that money went, after all the bills were paid and all the liabilities were covered, I would send that money, every nickel of it, to the Nicaraguan Resistance, which was indeed the original purpose for setting up all of those non-U.S. Government entities.

Mr. TRIBLE. Last week when you testified about this huge sum of money, you used the word "shocked," that you were indeed shocked. Is that a fair characterization?

Mr. NORTH. I was, and I would again point out—I believe it was under questioning by counsel—I did not know until these hearings began that there was any such sum set aside. But again, I have not communicated with these people for, yea, these many months. I do not know the purposes for which they had established these accounts or even that the accounts existed.

Mr. TRIBLE. I absolutely believe that, Mr. North. Absolutely, Colonel North.

Now let me ask another question. These moneys came from several sources. They came from the sale of arms to Iran and they also came from solicitations from countries and individuals; is that correct?

Mr. NORTH. That's my understanding, yes.

Mr. TRIBLE. Is it true then that neither Mr. Hakim or Mr. Secord contributed any capital to this enterprise?

Mr. NORTH. I do not know.

Mr. TRIBLE. There's no question in your mind, is it, that the money was to be used for governmental purposes?

Mr. NORTH. I'm going to beg to differ with that particular description of it.

Mr. TRIBLE. Please.

Mr. NORTH. I have said that—when we go all the way back to 1984, when this activity was initiated, that the purpose was for these outside non-U.S. Government entities to assist in prosecuting the foreign policy goals of the United States. It was never intended that anybody get rich. It was never intended that anybody do anything with the money other than support those foreign policy goals.

Unfortunately, there seems to be an idea that developed as a consequence of my testimony that there was a government within a government, or that there was a CIA within the CIA, or that somehow these moneys belonged to the U.S. Government. I don't view it that way.

I'm certainly not a financial expert or a legal authority on those kinds of activities. I saw those foreign entities, those—the network of companies and the like that were set up as being there to support the prosecution of foreign policy goals. It was never envisioned in my mind that this would be hidden from the President.

I know that there's some debate that apparently raged while I was away this weekend—thankfully, blissfully unaware of the media coverage but now apprised of it—that somehow we were going to use these for things that the President wouldn't know about.

I will tell you that it was always my understanding that it was a short-term project, not something that was going to go on ad infinitum, and that partially is a question that was raised by Representative Jenkins last week. It was a fix for a short-term problem, and I described to you in executive session some of the activities that were to be supported by these non-U.S. Government moneys.

Mr. TRIBLE. I thank you. All my question contemplated was that these moneys were to be used to advance the foreign policy goals of the United States.

Mr. NORTH. Yes.

Mr. TRIBLE. Thank you.

Now, you've talked about some other initiatives that were contemplated. It is my understanding they were contemplated but not undertaken; is that true?

Mr. NORTH. We actually, as I told the committees in executive session, we actually started on a number of them. For example, the purchase of the ship was undertaken to pursue a particular activity. So moneys were indeed expended on that. And the ship was used for a number of different purposes, as I indicated the other night.

There were also moneys set aside, at least my understanding moneys were set aside for the purchase of a particular weapons system which——

Mr. TRIBLE. Those moneys were not expended, however?

Mr. NORTH. I do not believe they were, but I cannot speak with certainly on that.

Mr. TRIBLE. I understand.

Now, let's move to a discussion of prices, commissions, and accountability.

Did you or General Secord establish the prices for the arms sold to the Contras?

Mr. NORTH. I established no prices whatsoever. And, as I think I testified, and certainly as is well known, it was a very competitive marketplace, if you will, to which the Nicaraguan Resistance could turn.

The only thing that I did was to intervene at the direction of—at the suggestion of Director Casey that two particular arms purveyors not be used until the Agency was able to determine, one, the source of funding for one of them; I believe I talked to that in executive session. And whether or not a certain European who had provided arms was indeed involved in reverse technology transfer to the East bloc. He asked me to intervene, to keep arms from being purchased from those two individuals, and I did so.

I established no prices. I established no levels. I established no amounts of any kind.

Mr. TRIBLE. And I'm not suggesting you did. In fact, the answer to the question is, General Secord did that.

Mr. NORTH. Again, I don't know whether General Secord did that. I viewed those transactions as being—taking place between General Secord and those with whom he was dealing.

I do know that toward the end of the activity in establishing the Southern Front, that munitions were provided without cost. It was flown down, airdropped to the Southern Front, for example.

Mr. TRIBLE. Well, Albert Hakim has testified before us that it was Secord.

Mr. NORTH. I'm not here to—I don't know the substance of his testimony.

Mr. TRIBLE. So is it fair to say, then, Colonel North, that it was Hakim or Secord or someone else who had the responsibility of determining what was fair and just compensation?

Mr. NORTH. Yes.

Mr. TRIBLE. Now, did Mr. Secord or Mr. Hakim ever sit down with you and give you an accounting of their profits?

Mr. NORTH. No.

Mr. TRIBLE. Did they ever sit down with the Contra leaders and give them an accounting of their activities?

Mr. NORTH. I do not know.

Mr. TRIBLE. So what you are telling us then is that there really was no financial oversight by you or by anyone else in the U.S. Government?

Mr. NORTH. I've given to the committees the records that I maintained, those that remain, anyway. And you also had from my files a number of KL–43 messages which refer in gross terms to funds remaining in various overseas entities. That is about the level that I had specific knowledge on.

I did not do an accounting. I didn't hire an accounting firm to do it. We didn't bring in the GAO, and I am not trying to be lighthearted about it. It was simply a matter of things were moving very, very quickly.

Mr. TRIBLE. Absolutely.

Mr. NORTH. And that kind of accounting was not done.

Mr. TRIBLE. Obviously you were a busy man and you were relying on them to handle these matters; isn't that correct?

Mr. NORTH. That is correct.

Mr. TRIBLE. Now, let me ask you this: Under established channels, when covert operations undertaken by the CIA or by CIA operatives, isn't there strict financial oversight and accountability?

Mr. NORTH. Generally, yes. And I'm not intimately familiar with the comptroller's office at Langley, but well enough known that they do a rigorous accounting of the expenditures of funds in the conduct of a covert operation.

I would point out, however, Senator, and I think it is important, that there is still a debate ongoing within the Congress and the GAO and the State Department over the accounting of $27 million in Nicaraguan humanitarian assistance funds.

It has been widely reported in various media accounts that I was somehow engaged in siphoning money off from those activities. Those reports are untrue. It is a difficult thing to do, and even under the best of circumstances, trying to account for moneys like the $27 million is a difficult task. And I am confident that at the end of all of the review of the $27 million in Nicaraguan humani-

tarian assistance moneys, there will still be people who debate whether or not an accurate or sufficient accounting has been done.

Mr. TRIBLE. Is it fair to say, Colonel North, that under normal and established procedures, when covert operations are undertaken by the government there is always a strict accounting of those activities and that here there was not?

Mr. NORTH. I would—given my knowledge, I think that is a fair statement.

Mr. TRIBLE. All right, sir.

Let's move on and talk for a moment about the relationship between Mr. Hakim and Mr. Secord.

Colonel North, I know you have known General Secord for many years and you have great respect for him.

Mr. NORTH. I'm sorry, Senator.

Mr. TRIBLE. No problem.

I know that you have known General Secord for many years and you have great respect for him.

But isn't it true that really you didn't know much about Albert Hakim and you still don't know much at all about the business relationship between Secord and Hakim?

Mr. NORTH. I first met Mr. Hakim, I believe, in February of 1984. I came to recognize this was a man who certainly wanted to assist the U.S. Government and a restoration of a relationship with his native land—correction, I first met him in February 1986, not 1984.

I don't know the nature of the financial relationship with General Secord or a business relationship that he has had, and I did not necessarily consider that to be a prerequisite of using him as an interpreter for one of our meetings, or a series of meetings which occurred in Europe, nor did I see it inconsistent that he would be engaged, after I found out about it, in establishing the European entities in—foreign entities, not all in Europe, but some in Latin America—that supported this initiative.

Mr. TRIBLE. Now, Mr. Secord in his testimony before us said the money, the residuals in the accounts, belonged to the Enterprise and that the Enterprise was owned by Mr. Hakim. Did you know that?

Mr. NORTH. No. But, again, what I knew was that a series, a network, if you will, of overseas entities had been established to carry out these activities.

To the extent practicable, different overseas companies would carry out discreet activities to avoid the crossover of knowledge between various operations, and thus one of the companies would carry out the purchase of land in a Central American country for the purpose of building an airstrip. They would fund for that airstrip, they would conduct the construction and the like, whereas another company would be engaged in, for example, the delivery of munitions. And that network, as I understood it, was basically laid out for these activities by General Secord and now obviously with the assistance of Mr. Hakim.

But I did not know the details of that relationship, no.

Mr. TRIBLE. Well, I guess the point that I want to make here is that the money was controlled not by Mr. Secord, a man you knew and trusted, but rather by Mr. Hakim, a man that you have admitted you hardly knew.

That must come as a surprise.

Mr. NORTH. Well, it does, and that's one of the reasons why I said I was shocked at the magnitude of the money remaining in the various accounts. I am not entirely sure that we are all speaking from the same sheet of music, and that's somewhat tongue-in-cheek the other day but—somewhat serious.

Mr. TRIBLE. Well, that has been a problem for all of us.

Mr. NORTH. When Mr. Hakim describes profit—and I'm talking about what Director Casey referred to as self-sustaining entities—I'm not too sure that those are inconsistent.

I look forward to the day when I could actually sit down and talk about where those remaining moneys go with the people, whoever they are who control them.

Mr. TRIBLE. I wish you could spend 10 minutes with Mr. Hakim. I think you could be of great help to the committee.

Now let's talk about the future of these enterprises.

Did you and Bill Casey or Admiral Poindexter establish plans for the future in the event that Bill Casey had left tne CIA or become disabled or died?

Mr. NORTH. No.

Mr. TRIBLE. What about your reassignment in the Marine Corps. Were there contingency plans for that?

Mr. NORTH. Well, I think one of the things that Director Casey was looking to was not something that was going to be sustaining out through the 1990s, these activities; that he was talking about the use of outside entities to support limited foreign policy goals of the government.

I described some of those activities to the committees the other evening in executive session.

It was not the kind of thing that—I don't think Director Casey had in mind for outliving even his tenure as Director of Central Intelligence, although, as I indicated in my testimony, we never got to that point. We were never able to establish the longer term, where is it all going from here.

I regarded this as an imaginative solution to some short-term problems.

A number of the initiatives that were undertaken that I briefed the committees on the other night assumed that these were immediate short-term—once you conducted that activity you could actually put the company back on the shelf or do away with it. And that's how I saw it being pursued.

It was not a matter, as Representative Jenkins and I discussed—I don't think as a matter of—what happens after Bill Casey goes and Ollie North goes, who the successor is that would carry those activities out.

Mr. TRIBLE. Well, but that really is an important question, is it not? Marine colonels are reassigned, directors of the CIA die, Mr. Secord could have suffered a disability or loss of life. Who really was going to control this operation in the future? Was there any plan in place?

Mr. NORTH. We never got to the point where a plan such as that was developed.

Mr. TRIBLE. What was going to happen when the Reagan administration came to an end?

Mr. NORTH. Well, I think we all looked to the fact that these operations would simply shut down. I mean, this was not something that would go on in perpetuity—got that one out.

Mr. TRIBLE. You weren't going to turn it over to Democrats then?

Mr. NORTH. You said that, Senator.

Mr. TRIBLE. That's right. And I did with a smile on my face, and that does not deserve an answer, Colonel North.

Let's move to another area, if we might.

Albert Hakim volunteered in his testimony that he was trying to pass money to you and your family. Earlier a lawyer named David Lewis called the committee and volunteered that William Zucker had asked him to find a way to get money to your wife, Betsy.

Now, at first we didn't follow that up, because it was absolutely inconsistent with our image of you. But then Hakim, a man who says that he loves you, testified that he asked Zucker to try to pass money to you. Nothing came of those efforts and we know that you were not in this for profit, and you have spoken very powerfully and convincingly about that.

But my question is this: doesn't it appear that Mr. Hakim and Zucker were trying to compromise you or set you up to gain influence or leverage?

Mr. NORTH. Senator, I did not hear that testimony, and I guess my concern is that this committee not have any reservations whatsoever. I was unaware of any activities beyond what I've described.

Mr. TRIBLE. Absolutely understand that.

Mr. NORTH. Number two, even if that attempt was known to me—and, as I described them the other night, there were other attempts at those things—it doesn't mean that it works. I don't know the motivation of Mr. Hakim or his lawyer in trying to pursue various initiatives.

I do know that having reviewed certain testimony before this committee, that an indication of calls being made or arrangements being made to meet with my wife after the one meeting that I described to you and the one telephone call in June are patently untrue. And thus the characterization of motivations by Mr. Lewis or others or events by Mr. Lewis and others, are to my knowledge and that of my wife, totally untrue.

I cannot speak to the motivations of those other people who have described other events.

Mr. TRIBLE. No, I appreciate your reluctance to do so. And the record certainly demonstrates that you acted most appropriately under this situation. However, I ask you those questions because I really can conceive of no other reason for those initiatives.

If they were really trying to help you, they would have gone to you directly, it seems to me, and they surely would not have volunteered this information as they did. But I thank you for your answer there. We will just have to sit back and judge as best we can as the pieces of the puzzle come together.

Now, let's talk about profits. There has been testimony that Mr. Hakim and Secord were reaping large profits by marking up the arms being sold to the Contras. For example, Albert Hakim has testified before us that during August of 1986, Mr. Secord agreed to a suggestion of Tom Clines that they maximize the profits from the last sale of arms to the Contras.

Were you aware of that?

Mr. NORTH. No.

Mr. TRIBLE. Now, Hakim has testified from his records that a profit of $861,000 was made on that $2.1 million transaction. Now, that is a markup of about 41 percent. Were you aware of that kind of profit was being made?

Mr. NORTH. No, I was not.

Mr. TRIBLE. Do you believe that that kind of profit is fair or just?

Mr. NORTH. Again, I would have to sit down and go over with these issues with General Secord, who was my principal contact, and Mr. Hakim. I don't know what their expenses were. I don't know what the activities were that they planned for the use of those moneys, but I certainly did not know there was anything of that magnitude in that transaction.

Mr. TRIBLE. Were you aware that the $861,000 profit was divided equally between Hakim, Secord, and Clines?

Mr. NORTH. No. As I have testified throughout, I was unaware of the fact these accounts even existed.

Mr. TRIBLE. Isn't it true that their taking of such outlandish profits is absolutely inconsistent with your goal of helping the Contras keep their body and soul together?

Mr. NORTH. There is no doubt that if it was done for personal gain, as I indicated in my testimony, that I never set out in any of this activity to make anybody rich. I don't know what was envisioned by those transactions.

I did not know of them when they occurred, and I did not know the magnitude of any of the use of those in terms of compensation. The only thing that I specified right out at the very beginning is that it was understood that fair, just, and reasonable compensation would be derived by those people involved in the activities.

That included the pilots who put themselves at risk and those involved in taking out of their normal discourse of day-to-day events, day-to-day business, would in some way be compensated. That was the sole level of my understanding on it.

Mr. TRIBLE. I have no question about your motives here, Colonel North, but it seems very clear to me that this kind of profit, $861,000 from the $2.1 million transactions, cannot be categorized by anyone as fair or just or appropriate. You don't disagree with that?

Mr. NORTH. I didn't try to characterize it, Senator.

Mr. TRIBLE. I understand. Now, was anyone else in the Government of the United States aware of these kinds of profit margins?

Mr. NORTH. To my knowledge, no one else was aware of the details of those activities at all.

Mr. TRIBLE. So you would be the only person, and you were not aware.

Mr. NORTH. I was not. And I do not know of others who may have been.

Mr. TRIBLE. Now, let's move it beyond that and talk about the investment of these funds for private purposes. The testimony also reveals that Mr. Secord and Hakim invested huge sums of your residuals in private business ventures.

For example, did they inform you that they had invested $150,000 in TriAmerican Arms?

Mr. NORTH. I don't think I ever heard of TriAmerican Arms until these hearings started.

Mr. TRIBLE. So, the answer is no?

Mr. NORTH. No.

Mr. TRIBLE. Albert Hakim also testified that another $100,000 of residuals were invested in Washington timber land from which they expected to make millions, his words, and that the residuals were also used as collateral for the purchase price of $1.5 million.

Did you know about that?

Mr. NORTH. No.

Mr. TRIBLE. Is that an appropriate use of these funds, in your judgment?

Mr. NORTH. Again, I don't even know that those are those funds. What I am saying to you, Senator, is I was totally unaware of these transactions.

Mr. TRIBLE. I understand, and I am not suggesting you knew about it. The record is very clear. I am representing to you that the record establishes that that is how the money was used.

And I am asking you, Colonel, is that an appropriate use of those funds?

Mr. NORTH. I do not believe that these funds, any of them, should be or should have been used to make anybody rich. You are asking me to make judgments on certain transactions, the source of which I have absolutely no knowledge, and I don't think it would be fair for me to characterize anybody's decisions based on lack of that kind of knowledge.

What I am saying, and I will repeat it again, I did not engage in this to make anybody, not myself, not General Secord, not Mr. Hakim or any of their other people rich in the process. No one.

Mr. TRIBLE. The problem is here, they were getting rich, and they were investing huge sums of these moneys to advance their own self-interest. The record establishes that, and that is the point of this line of questioning.

Certainly, these kinds of private investments have no governmental purpose, do they?

Mr. NORTH. None that I know of.

Mr. TRIBLE. All right, sir.

Now, let's move to another area, Colonel North, and that is one that is of importance to both of us, and that is the Democratic Resistance in Nicaragua, their fortunes, their hopes, and their future.

Is it fair to say that you were doing everything humanly possible to help the Contras, the Democratic Resistance, in their fight for freedom?

Mr. NORTH. Senator, without going overboard on the statement, I don't think there is anyone else in the United States of America that worked as hard as I did to ensure a democratic outcome and the survival of the Nicaraguan Resistance from 1984 to 1986.

Mr. TRIBLE. Colonel, there is no question about it. Now, this is a peasant army, is it not?

Mr. NORTH. It is indeed a peasant army, but it also includes people of the middle class and even the intelligentsia if you will of Nicaragua. It is predominantly a campesino army.

Mr. TRIBLE. Colonel, I visited those camps, as you have. I remember walking down the long line of these young Nicaraguans, look-

ing in their faces, and every once in a while stopping and asking what is your name, where are you from, why are you here?

And, you know, the answers were different and yet the theme was the same. They said, "Well, I have left because my family farm was taken away by the Sandinistas," or they will say, "My church was closed or my priest sent away," or "My brother was taken by the Sandinistas and made to serve in the army." And many said simply, "The Sandinistas haven't given us the freedom they promised."

These are young men who are laying their lives on the line for freedom, and you care about them, I care about them, a lot of people care about them.

I read with special interest one of your PROF notes, it is exhibit no. 5, where I think far more eloquently than I, you laid out their needs and your concerns about their plight.

Would you reach for exhibit no. 5 and would you read that for me, please? I have a copy of it here if it might, if you would accept my representation, that's exhibit no. 5 and it's your PROF note, Colonel North. I think you will—would you just read it from the start to the finish for me, please. And tell us the date that you wrote that and perhaps to whom it went if you can decipher that as well.

Mr. NORTH. This appears to be a note from myself to Don Fortier, with copy on to Admiral Poindexter, I believe. The subject is Special Meeting on Central America. "Will"—that's Wilma Hall, mother of my secretary, "please pass to Don"—Don Fortier was at the time the Principal Deputy Assistant to the President for National Security Affairs who has since died. "This weekend's trip to Honduras and El Salvador was the most depressing venture in my 4 years of working the Central American issue. There is great anxiety that the Congress will not act in time to stave off a major defeat for the Resistance. This sense exists in the Governments of Honduras and El Salvador but most alarmingly is now evident in the Resistance itself. The lack of a viable source of resupply has not only affected combat operations, it is now beginning to affect the political viability of the Unified Nicaraguan Opposition leadership as well. Colonel Bermudez, in front of the Southern Front commanders, El Negro Chomorro, questioned the need for UNO and the drain of scarce resources to support the Atlantic and Southern Fronts. While he committed to send 6–8 thousand troops in the next few days, he openly admitted in front of 'blank'—that they would have to come back out in 15–20 days if there is no resupply. As known, their most pressing need is for antiaircraft, but the other things are now running short as well. The entire force is back to one meal per day and no more boots, uniforms, packs, ponchos, or weapons are available for the new recruits. New trainees will be turned away effective today. All hospitalization for wounded in action will cease at the end of the week. Troops returning to Nicaragua this week will carry only 70–100 rounds of ammunition instead of the 500 they had been carrying. No new radio batteries are available so there is no way to pass commands or intelligence.

"The picture is, in short, very dismal unless a new source of 'bridge' funding can be identified. While we should not raise specific sources with 'blank', et al. we need to explore this problem ur-

gently or there won't be a force to help when the Congress finally acts. Warm regards, North."

Mr. TRIBLE. Colonel North, on the very day you wrote that note of despair there was over $4.8 million in the accounts controlled by Mr. Hakim and Mr. Secord. You couldn't have known that, could you?

Mr. NORTH. I did not. But as I testified earlier, Senator, I do not know to this day whether or not those funds were set aside for the other activities that I briefed this committee on.

Mr. TRIBLE. How many boots could have been purchased, Colonel? How many lives could have been saved if just a portion of those moneys had been sent to the Nicaraguan Resistance?

Mr. NORTH. Boots run $16 a pair to $30 a pair depending on where they are purchased. Ammunition, as you know from the charts and information you have varies in cost, the aviation resupply costs considerably. Certainly that—the more money that was available to the Resistance the better their fortunes would be, there is no doubt about that.

Mr. TRIBLE. Certainly throughout all this time a matter of the very highest priority in your mind was helping the Contras stay alive—and fight their battle.

Mr. NORTH. It was.

Mr. TRIBLE. Mr. Chairman, I have no more questions of Colonel North. I want to thank you Colonel for your testimony. I do believe you have testified truthfully and you have certainly helped us put the pieces of this puzzle together. But I would, Mr. Chairman, like to make one personal observation. In the activities of Mr. Hakim and Secord, we have seen private interests riding roughshod over public motives, a cause compromised as individuals reaped enormous profits, and in my judgment the trust of Colonel North betrayed. All this demonstrates to me the sheer folly of conducting the people's business without checks and balances.

I thank you, Mr. Chairman. And I would like to reserve the balance of my time.

Chairman INOUYE. Thank you very much, Senator Trible.

Mr. Hamilton.

Chairman HAMILTON. Proceeding under the fifteen-minute rule now, the chair recognizes the Vice Chairman of the House Select Committee, Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman.

Colonel North, I wish it were under different circumstances that I saw you again. It has now been about 6 months or more since you first appeared before the Foreign Affairs Committee of the House of Representatives and stated at that time that no one wanted to tell the story more than you did. And we gave you the opportunity then to take advantage of your constitutional rights, which you have every right to do and in my judgment you should have done.

Now the Congress has provided you this opportunity in the last several days, and your testimony has been remarkable. You as a colonel in the White House were largely instrumental in implementing the President's policy. You were exercising executive authority clearly. You conducted a major covert operation. Ordinarily it would have probably kept the Operations Division of the CIA pretty busy.

You planned and directed major military operations and acquitted yourself in a fashion that would do justice to the Joint Chiefs of Staff. You arranged for the sale of lethal weapons out of the Department of Defense, a matter which is normally undertaken by a whole division of international security in the Department of Defense. You conducted secret, sensitive important diplomatic negotiations which under normal circumstances would have used up a pretty big chunk of the State Department. Millions of dollars were raised to support and implement the President's policies. Arms were sold, funds were received from governments. Many patriotic, private citizens in the United States and elsewhere provided funds, and so there had to be an effort some way to keep track of these millions of dollars and make sure that in some way they went to serve the President's policy.

In addition to that, there was an enormous effort undertaken, in which you played a very important part, to influence the American people in support of the President's policy, to lobby the Congress, to make sure the votes were there for Contra aid, and in the process, colonel, you probably produced and disposed of more government paper than anybody I ever heard of in my life. As a matter of fact, I think you ought to be in the Guiness Book of World Records on that score. And I don't say any of this disparagingly.

Now, all of this was done without the slightest knowledge on the part of the Congress. And we wouldn't have known even today based on your preference, which, as I recall your testimony—because this was a covert operation and should be done that way, that you were doing everything that was legal in carrying out the President's policy—but if it hadn't been for three events, two of which you had absolutely no control over. One of them was the Hasenfus plane was shot down in the resupply operation and that was a sad blow. A tragedy. Casey said, well, son, or words to that effect, you know, this thing is beginning to unravel, we had better start cleaning things up, and he was so right. And then someone, probably our adversaries, because they had charge of the information, decided to leak a story about the McFarlane trip and it came out in the Lebanese periodical, and then the unraveling gathered up a lot of steam because every media in the world was then focused on what happened.

The third event was in my judgment a very unusual event, Colonel, and I was probably as surprised as you were, and that was to hear the Attorney General of the United States get on television and say for the first time, well, folks got to tell you, $30 million, I believe he said, don't hold me to the exact amount, but it was a lot of money, residuals, funds, whatever, were diverted or were used for the Contras. Otherwise nobody would have known about that.

And I wondered at the time why that was done. I just couldn't believe it myself.

As a matter of fact, I made a statement at that time, Colonel. I said, it is inconceivable to me that an operation of this magnitude and sensitivity, involving many countries, millions of dollars, very sensitive operations on behalf of the United States, could be laid in the lap of a colonel operating out of a phone booth in the White House. Or that in some magic way he got hold of some bad torpedo

juice and just started running crazy and running the government on his own. Anybody who believed that believed in the tooth fairy.

Well, that's not even a good analogy. The tooth fairy is not bad. I just didn't believe that, and the testimony up to this point has strengthened my belief even more.

Now, having said all of this, and applauding your sterling character and patriotism, which millions of people around the country have done, properly so, because you have been a very direct, sincere believer, and you carried out your orders. You did it in a fashion which people understand. OK. But I keep asking myself, how come I don't feel good?

And it is not because of anything you have said. It has nothing to do with your testimony, except in laying out the mosaic of this gigantic jigsaw puzzle which under ordinary circumstances might have taken all the elements of the U.S. Government to put it together to make it successful.

But here was a man with determination and skill doing the job. It occurred to me, one of the things I didn't like. I don't think any individual in the uniform of the Military Services of the United States should ever again be put in the position that you were put in, or that Admiral Poindexter was put in, or that Bud McFarlane was put in.

That is one of the things that struck me immediately, because it does a discredit to you as an individual, to the service which you represent, and the uniform which you wear. I haven't reached a total conclusion yet.

This puzzle is so gigantic we are just beginning to put the pieces together. You have been extremely helpful in doing that. Of course, as you know, that is the main purpose of these hearings, is simply to get the facts officially on the record.

All this stuff has been printed, most of it. It is out there. The media got it a long time ago. The Congress is way behind the curve. But for reasons historical, for reasons that affect the jurisdiction of the Congress of the United States in playing its role as a coequal branch of government, so that we don't distort the Constitution of the United States and wind up with only two branches of government, it is important for the Congress to analyze what happened and decide if there is anything that we want to do about it or should do about it.

It is also important for the American people to look at all of this and make up their own minds. It goes far beyond Colonel Ollie North, in other words.

And so, I begin to feel right now that we the people, in order to form a more perfect union, Colonel North, have instead adopted the values at least temporarily of a totalitarian government in an effort to do what we feel is proper and right, and that is to encourage, enhance democracy.

But you know, I would hate to think, as many of my colleagues here have already expressed themselves, that in the process, we have shredded our own democratic fabric. None of us want to do that.

You don't want to do it, and I don't want to do it. The American people don't want to do it. This committee and the Congress don't

want to do it. Now that is our job, to try to rectify everything from what we have learned, which you played such a major role.

And again, I say this is in no derogation to you, sir, whatever. Now, I have got a little time left and there are some questions that are still buzzing around in my mind. So, let me ask a couple of questions in the time I have left.

Have I got some time left, Mr. Chairman?

Mr. NORTH. Mr. Chairman, before you ask that——

Mr. FASCELL. Certainly. As long as they don't take it out of my time, that would be great.

Mr. NORTH. Very briefly. There are just two points that I think deserve mention. First of all, I do not believe that we have adopted in pursuing the activities that I have come here to testify about, the philosophy or the values of a totalitarian society.

Mr. FASCELL. No. I meant the methods. You are absolutely right.

Mr. NORTH. Sir, I beg to differ. I honestly believe that we carried out those activities within the constraints of the law as they were described and put up on that board a few days ago.

Mr. FASCELL. Colonel, I wasn't talking about a violation of the law.

Mr. NORTH. If the Government of the United States didn't want us to act to support the Nicaraguan Resistance, then the Congress should have passed a law that forbade it, and I would not have done it, sir.

Mr. FASCELL. I understand that, you know, I supported the Contras notwithstanding.

Mr. NORTH. I know you have, sir.

Mr. FASCELL. So, you know. But anyway, maybe that was a strong phrase. But it still means that we have to adopt tactics. If the only thing we can do is adopt tactics used by the other side, I am not so sure we have won anything, even if we won. Now that is a philosophical statement and there is no point in you and I getting into that discussion. I appreciate your comment. You are right. I was not talking about substitution of values as such.

Now, you worked with Otto Reich and Jonathan Miller. They were the Director and Deputy Director of the Latin American Public Diplomacy Program, which reported to the Special Planning Group on which you sat; is that correct?

Mr. NORTH. They reported obviously to the Secretary of State or some superior within the State Department. But the group did work with the Restricted Interagency Group, that is correct, sir.

Mr. FASCELL. Well, I seem to remember somewhere that Walt Raymond chaired that, and the decision was made to have the LAPD stuck in the State Department, but they really reported to the White House or the NSC. But that is all right. The record will straighten that out.

Did you know that Frank Gomez and Richard Miller, operating as IBC, had been awarded by the U.S. Government three contracts for about $400,000?

Mr. NORTH. It was my—again, I didn't know that it was three. I did know they had a contract or contracts with the State Department and that there was at least a classified provision of that activity. Yes, sir.

Mr. FASCELL. Did you recommend the awarding of those contracts?

Mr. NORTH. I don't recall that I recommended it. I know that at one point either Mr. Miller or Mr. Gomez or both acknowledged to me that the contracts were being held up, and that they hadn't been paid for the services that they had provided for the State Department.

I may have at some point in there inquired with either——

Mr. FASCELL. Expedite the payments?

Mr. NORTH. Yes, sir.

Mr. FASCELL. Did you at any time indicate to Spitz Channell and Dan Conrad that the funds they raised for the Contras should be turned over to Frank Gomez and Rich Miller operating as IBC?

Mr. NORTH. No. I did ask Mr. Miller or Mr. Gomez, I believe it was just Mr. Miller, to establish an offshore account that could be used to prosecute the goals we have discussed here.

And at some point, I am sure that I told Mr. Channell that certain moneys that he raised which were to go to the direct support of the Nicaraguan Resistance——

Mr. FASCELL. Should go to the offshore accounts?

Mr. NORTH. —should go to the offshore account, and then to other activities.

Mr. FASCELL. I had a couple of others here.

Do you recall just off the top of your head the last direction you gave Gomez and Miller with regard to the transfer out of the Cayman Island account?

Mr. NORTH. I do not recall the last one, sir.

Mr. FASCELL. Did you ever ask Roy Godson, who was, as I understand it, a special consultant to the NSC, to help the private fundraising efforts in support of the Central American activities?

Mr. NORTH. For two specific purposes, both of them non-military, both of which we ought not to, I don't think, raise in here.

Mr. FASCELL. Right. The point is, you did ask him to do something?

Mr. NORTH. He did. I did, and he did.

Mr. FASCELL. Did you ever have—do you recall a meeting at the White House with Roy Godson, Terry Slease and Bud McFarlane?

Mr. NORTH. Yes, sir. I don't recall the specific details of the meeting.

Mr. FASCELL. But it was in general about your activities in Central America?

Mr. NORTH. It was, but those were nonmilitary, I would point out.

Mr. FASCELL. By nonmilitary, you mean it was a different operation other than the Nicaraguan Contras?

Mr. NORTH. It was in support of the Nicaraguan Resistance.

Mr. FASCELL. But a nonmilitary activity?

Mr. NORTH. A nonmilitary activity in support of them.

Mr. FASCELL. Did you authorize Gomez and Miller to deduct about $20,000 for their expenses?

Mr. NORTH. I never got into those kinds of details with them. We did discuss that they would derive fair, just, and reasonable compensation for their services. We never talked about specific amounts.

Mr. FASCELL. Were you ever—were you aware of the fact that John Donahue contributed $100,000?

Mr. NORTH. The name does not ring a bell.

Mr. FASCELL. Doesn't ring a bell with you?

Mr. NORTH. No, sir.

Mr. FASCELL. Do you recall any connection with regard to a disbursement to the Heritage Foundation?

Mr. NORTH. It is the first—it is the first I can recall hearing about it.

Mr. FASCELL. And therefore, you wouldn't know anything about an award by the Heritage Foundation to a Miller-Gomez operation?

Mr. NORTH. I do not recall knowing anything about that. No, sir.

Mr. FASCELL. Do you recall John Hirtle? Do you know a man named John Hirtle?

Mr. NORTH. Yes, sir, I do.

Mr. FASCELL. Did you meet with him and discuss the Central American effort?

Mr. NORTH. Yes, we did.

Mr. FASCELL. Do you know whether or not he ever contributed any money?

Mr. NORTH. I don't believe he personally did, but he did arrange for me to meet with others who I believe did so.

Mr. FASCELL. Do you recall their names, by any chance?

Mr. NORTH. I do not. You are hitting me pretty quick, Mr. Chairman.

Mr. FASCELL. I know. But we don't have that information either.

Mr. NORTH. I understand.

Mr. FASCELL. I thought you might. It is pretty tough to remember stuff over a period of 5 years, I recognize that.

Well, let's get——

Mr. NORTH. If I can make just one point about Mr. Hirtle. It is my recollection that the meetings he did arrange for me in Philadelphia, I believe, and there may have been another one or two down here, were all again for nonmilitary purposes.

There were specific activities I think we have agreed not to raise publicly here that were being supported through those——

Mr. FASCELL. In other words, it was for the effort, the total effort, but nonmilitary in nature?

Mr. NORTH. That is right.

Mr. FASCELL. Did you authorize Rich Miller, or anyone else for that matter, to draft letters for your signature which were sent to individuals who were helpful?

Mr. NORTH. Yes, I did.

Mr. FASCELL. And were those letters actually drafted by Rich Miller, and did you authorize him to sign it, or did you sign them?

Mr. NORTH. No. I believe I signed out several hundred letters to people who had supported the Resistance.

Mr. FASCELL. Thank you very much, Colonel. You have been extremely helpful.

Mr. NORTH. Thank you, Mr. Chairman.

Chairman INOUYE. Senator Hatch?

Mr. HATCH. Thank you, Mr. Chairman.

Colonel North, for the past 4 days—really the 5th day now—I have listened to your testimony. You have sat there at the witness

table armed only with that potted plant there at your side, or should I say nonpotted plant? I think that would be more accurate.

In some respects, from where I sit, you have shed new light on matters that have come before this committee. You have admitted error. You have accepted some blame, you have provided some helpful explanations of what was going on, and why they occurred in the first place.

From what you have said, your motives and your intentions were, it seems to me, from your perspective, were always good for our country, were always well-intentioned in the best interests of our country, and I think that that is important.

You have helped take this affair, it seems to me, away from the media, some of whom I think have for months tried to make of it something it was not. Now, having said that, Colonel North—and I didn't say all of them, I said some of them—now having said that—and they can judge themselves whether they fit in one or the other category, but I think the American people know.

Now, having said that, I don't want to give the impression that I believe that there weren't some mistakes made here. There were. And I think that trading arms for hostages is wrong, and to the extent that the Iran initiative became strictly an arms-for-hostages deal, which it was not, but nevertheless has been portrayed by certain people in the media to be, I think that was wrong.

I also don't feel that misleading or lying to Congress can ever be condoned. You need to know that.

As a general proposition, Colonel North, would you agree, however, that we have got to come up with a workable system where the Executive Branch does not feel that it has to mislead the Congress? Do you agree with that?

Mr. NORTH. I do.

Mr. HATCH. What about drug smuggling? There have been a lot of allegations thrown around that the Contra resupply operation was involved in cocaine trafficking. A news program over the weekend suggested that Rob Owen, who testified earlier, was involved in drug smuggling.

Now, is there any truth to that? Can you shed any light for us on that subject?

Mr. NORTH. Absolutely false. Mr. Owen is the last person, perhaps right beside me, that would ever be engaged in those kinds of activities. When Mr. Owen found any information pertaining to the possibility of involvement in drugs, he told me, and I would tell the appropriate Federal authorities, and there were several of such instances.

Absolutely false, Senator.

Mr. HATCH. I believe that. I take exception with something you said in your opening statement, Colonel North. You stressed several times that this committee's final conclusion would be apt to put the blame on the Executive Branch and not—we would not be willing to share some of that blame ourselves.

In that regard, Colonel North, I think you are prejudging us. In my view, thanks in part to your testimony over the past number of days, we may yet stand a chance of understanding the broader foreign policy objectives of the Iran initiative.

I would like to read something from the infamous diversion memo, which, I might add, says very little about diversion. It is interesting to me that the foreign policy goals in that memorandum don't get much attention, while the eight lines relating to the diversion have been—it seems to me they have been dwelt on incessantly.

Now, in that memorandum, you make the following statement: "The U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a long-term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a 'hurdle' which must be crossed before this improved relationship could prosper."

Does that statement accurately reflect the objectives of the arms transaction?

Mr. NORTH. It does, and I wrote them, sir.

Mr. HATCH. You bet you did. And there hasn't been much said about that. And in a PROF note you sent to Admiral Poindexter dated September 17, 1986—a half-year later—you wrote that your talks with the Iranians were going well, and that "They and we want to move quickly beyond the 'obstacle' of the hostages. Sincerely believe that we can be instrumental in bringing about an end to the Iran-Iraq war."

Now, Colonel North, if you had achieved that objective alone, the Iran initiative probably would have been considered a great success? Would it not have?

Mr. NORTH. I am sure it would have Senator.

Mr. HATCH. That was quite an initiative. That was quite a desire, right?

Mr. NORTH. Yes, it was.

Mr. HATCH. Colonel North, hopefully these hearings can educate the American public of the broad foreign policy goals that were associated with the Iran initiative as stated in your diversion memorandum.

In addition to the ones I just referred to was the protection of the northern tier states: such as Pakistan, Afghanistan, India; was that part of what you were trying to do?

Mr. NORTH. It was.

Mr. HATCH. And keep them supporting the Freedom Fighters in Afghanistan?

Mr. NORTH. Yes, sir.

Mr. HATCH. You bet. And was the protection of the southern tier states, such as Israel, Kuwait, Saudi Arabia, Jordan, Egypt, was that part of your goals?

Mr. NORTH. It was.

Mr. HATCH. An important part, wasn't it?

Mr. NORTH. We thought so.

Mr. HATCH. Could have been disastrous. It still could be disastrous, couldn't it?

Mr. NORTH. There is great potential for that, sir.

Mr. HATCH. Was one of those goals to wean Iran away from its support of terrorism?

Mr. NORTH. It was.

Mr. HATCH. By opening up a second channel to moderates you believed it was not in Iran's best long-term interest to continue to foster and support terrorism?

Mr. NORTH. Yes. And for 18 months it worked, sir.

Mr. HATCH. Was the delivery to the United States of captured Russian military equipment a significant part of this plan and one of the goals?

Mr. NORTH. Yes, sir.

Mr. HATCH. Was the lessening of Iranian reliance on the Soviet Union as an arms supplier one of the goals?

Mr. NORTH. The Soviet bloc, that's correct, sir.

Mr. HATCH. Was the elimination of the Iranian support for the Sandinistas one of your goals?

Mr. NORTH. It was, and we clearly told them that.

Mr. HATCH. Finally, if we could have gotten the hostages out—which, unfortunately, it appears—of course in the end to have consumed all of those broader foreign policy goals—that still would have been an excellent result, wouldn't it?

Mr. NORTH. Yes, sir.

Mr. HATCH. And you would have been really happy about that?

Mr. NORTH. I would not have been alone.

Mr. HATCH. In the end, you were mainly concerned about that because you were afraid they were going to be killed, isn't that right?

Mr. NORTH. Yes, sir.

Mr. HATCH. In fact, there are memoranda that you have brought forth that are part of these stack of documents that are taller than you——

Mr. NORTH. Yes, sir.

Mr. HATCH. —that have indicated that? That you were terribly afraid that they might be murdered or killed?

Mr. NORTH. Yes, sir.

Mr. HATCH. That's one of the reasons you were so frenetic, isn't it, that you were flying all over the world, running back and forth, working 18, 20 hours a day; isn't that right?

Mr. NORTH. We did a lot of travel, Senator.

Mr. HATCH. And you weren't the only one concerned either, were you?

Mr. NORTH. No, sir, I don't believe so.

Mr. HATCH. In your view, would these hearings be beneficial if they result in a better understanding by Congress and the American people and the media that sometimes covert operations are necessary and that if they are to be given a chance to succeed, they have to be kept secret? Would that be a good result of these hearings?

Mr. NORTH. It certainly would, Senator.

Mr. HATCH. Do you think these hearings may achieve some success—and I must admit that I may be on a moon shot with this one—do you think these hearings might achieve some success if they result in Congress recognizing that the President needs to be given some latitude to carry out his foreign policy objectives without 535 Members of Congress, mini-Secretaries of States, second-guessing everything the President is trying to do?

Mr. NORTH. Yes, sir.

Mr. HATCH. You believe that, don't you?

Mr. NORTH. I do.

Mr. HATCH. I believe that, too. I think Congress has been interfering far too much in a reasonable foreign policy, although Congress certainly has a role. You agree with that, too?

Mr. NORTH. There is a role. That is the appropriation of moneys to carry out that policy.

Mr. HATCH. Well, and we can look at the policy and determine whether we think it is good or bad. But it shouldn't be a constant micromanaging of the policy, should it?

Mr. NORTH. Not at all.

Mr. HATCH. OK. Do you feel that it would be a good thing if we finally learned the lesson that the leader of the free world, and if we say that we are the leader of the free world, and if we say we are going to help a neighbor such as the Freedom Fighters in Nicaragua, that we better dig in for the long haul rather than cutting and running every other year? Do you think that's a good thing?

Mr. NORTH. Yes, sir.

Mr. HATCH. Maybe these hearings can get that across, too, do you think?

Mr. NORTH. I hope so.

Mr. HATCH. Because that's what you had to face, wasn't it, at the White House? Every time you thought you had things on track, Congress would come up with some other theory or some other different approach; isn't that right?

Mr. NORTH. It seemed like an annual affair, sir.

Mr. HATCH. It not only contradicted what you were trying to do, but it sent different messages to the rest of the world; is that right?

Mr. NORTH. That's correct, sir.

Mr. HATCH. Weren't you afraid the United States might be considered an unreliable partner in world affairs because of what we were doing up here in the Congress?

Mr. NORTH. Yes, sir.

Mr. HATCH. In fact, we are considered an unreliable partner in part by some nations of this world; is that correct?

Mr. NORTH. By many.

Mr. HATCH. And it is precisely because of some of these things; is that right?

Mr. NORTH. Yes, sir.

Mr. HATCH. Do you think it would be a good thing if as a result of these hearings, we start to provide consistent support to the Contras so that they effectively—as they effectively seek to bring about a democratic resolution to the situation in Nicaragua and to ensure that we won't ever have to send our American boys down there, and girls, to fight in that troubled region that is so close to our own borders? You think that would be a good result of these hearings?

Mr. NORTH. Yes, sir, it would.

Mr. HATCH. I do, too.

Now, if we don't support the Nicaraguan Democratic Resistance, and ignore the Communist threat that exists right now in Central America, what in your opinion do you think might happen in the next 20 years in this hemisphere and maybe throughout the world?

Mr. NORTH. It won't take 20 years, Senator. It will take a whole lot less. The consolidation of the Communist regime in Managua

will result in the spread of that revolution as they have themselves advocated. You will see democracy perish from the rest of Central America; a flood of refugees crossing the American borders; and potentially the construction of a Berlin-type wall along the Rio Grande to keep people out.

This country took over a million illegal refugees last year. Just last week we authorized 200,000 Nicaraguans to stay in this country, and that's just the tip of the iceberg.

Mr. HATCH. They are all going to want to come here if we don't do what is right now?

Mr. NORTH. You are talking about something in the neighborhood of 10 million refugees, the potential for drawing down on NATO support in order to defend our own southern border. And ultimately, with the consolidation of communism in Central America, the commitment of American troops—the very thing we sought to prevent.

Mr. HATCH. I don't think we have heard too much about that. I am glad to hear you articulate some of those things.

Do you feel that these hearings may be important if they cause us to finally stand behind the Reagan doctrine and give assistance to the Freedom Fighters in Angola, Cambodia, and Afghanistan and elsewhere where people are really committed to pushing out the Communist aggressors who want to take away their farms and their businesses, and of course their freedoms?

Mr. NORTH. That would be a magnificent outcome, Senator.

Mr. HATCH. If we could. Do you think it would be a good thing if, as a result of these hearings, both ends of Pennsylvania Avenue begin to understand just how counterproductive leaks can be and how they jeopardize lives and national security; is that right?

Mr. NORTH. It would be, sir.

Mr. HATCH. In fact, one of the points you've made here, one of the reasons that you said you lied, is because you were worried about lives. You were worried about sources and methods and assets and ambassadors and representatives of other nations and our own people as well; isn't that part of the problem?

Mr. NORTH. Yes, sir.

Mr. HATCH. It is a pretty tough choice sometimes between telling the truth if it means the death of some of our most important assets in the world or if it means the disruption of some of our most important foreign policies in the world. I have to admit it's a tough choice. I'm not sure that I am Solomonic enough to have made the choice one way or the other.

But I still think it is wrong not to tell the truth to the Congress. But I understand why you feel the way you did.

Do you think it would be a good thing if the next time the Senate Intelligence Committee does a 150-page secret report such as it did in this very affair last December and was voted by the members of the committee not to release, that it not be leaked to the press and just one segment of the press rather than the whole press? Do you think we ought to—do you think that would be a good thing if we get that across?

Mr. NORTH. It would indeed, Senator.

Mr. HATCH. I think so too.

Do you think it would be a good thing if, as a result of these hearings, if we considered—if we reconsidered the staging of these kinds of public media shows where we disclose in great detail to our international friends and our enemies our documents, our methods, our secret plans, and the details of our own national security?

Mr. NORTH. I have testified to that end Senator.

Mr. HATCH. This is what is happening here to a degree?

Mr. NORTH. Yes, sir.

Mr. HATCH. Now I have to say to you, I think these hearings are very important, in spite of that. But I think that's something we have to be concerned about, and I agree with you.

In that regard, would you agree, if we must ever have these kind of hearings at all, they should not be turned into forums where persons, especially those under investigation by the independent counsel, are prematurely judged and accused of criminal conduct?

Mr. NORTH. It would have been nice, sir.

Mr. HATCH. I saw a lot of premature judging in this process. And I kind of resented it then and I still resent it today.

Along these lines, a scholar once wrote: "How individuals who have been pilloried by congressional investigating committees can be guaranteed a fair trial before an unprejudiced jury is hard to see unless the jury be illiterate."

Would you agree with that?

Mr. NORTH. At the very least, sir.

Mr. HATCH. Would you also agree with another statement by the same author, when he states, "If the investigative power of Congress is unlimited, the separation of powers and systems of checks and balances must break down"? Is that correct?

Mr. NORTH. That was the position I've taken throughout, sir.

Mr. HATCH. Well, these statements were written, by the way, by one Arthur Lawrence Liman in a thesis entitled "Limited Government and Unlimited Investigation." This was in partial fulfillment—I know that he is going to appreciate my comments before I get through.

Mr. NORTH. I thought I had written them, sir.

Mr. HATCH. Well, let me tell you, they were true then and they are true today.

It was in partial fulfillment of the requirements for the Bachelor's degree at the Harvard University, April 2nd, 1954, shortly after the McCarthy hearings. And I am personally happy to say that regardless of what others have done here, Arthur Liman has for the most part conducted himself in accordance with what he wrote 33 years ago.

Let me just say this to you—and, Mr. Chairman, I will finish with these remarks. I have been a little tough on our committee, but I do respect these people up here, and I have terrific respect for every Member of this panel and for the attorneys and those.

But I also have a great deal of respect for you. It isn't easy to sit there 5 days and go through what you have gone through and admit what you have had to admit, express some of the mistakes that have been made.

Let me just say this—based upon what I have seen and heard in these hearings, there are mistakes here. To the extent that this

was purely an arms transfer for hostages, I have to disagree with that, if that's all it was, but I think your answers have shown that it's more.

I don't think the NSC should ever operate covert operations. I just don't think they should.

And frankly, I don't think that we should have had a diversion of funds here, even though I have to confess I kind of think it is a neat idea, too, to take moneys from the Ayatollah and send them over to the Freedom Fighters in Nicaragua. What a nice use of those funds, except that you have to be—I don't think it was right.

I think it points out the difficulties, it points out the difficulties that the private—it's still a neat idea. I have got to admit that. I don't care who laughs. I think you were right—at least well motivated in your desires to help them, because we weren't helping them like we should up here. We weren't supporting this policy in our own hemisphere.

Fourthly, I think these hearings point up the difficulties with privatization of our foreign policy. I'm not saying you should never do it, but they point up the difficulties of privatization.

And last but not least—and let me end with this—I think these hearings should not let the Congress escape. By gosh, I think if there's anything that ought to come out of these hearings, it ought to be that we beat our breasts and act very sanctimonious and act like we just would never have made any of these mistakes when we've never had really the responsibility of, day to day, carrying them out.

Now, mistakes were made here. I think good people can acknowledge that, and we can all agree whether we supported the policies or didn't. Mistakes have been made. But, by gosh, we don't have to beat our country into submission, or people like you, just because mistakes have been made.

I want you to know that it is hard for us to believe it up here, but Congress makes mistakes too. And it's been making mistakes for most of this Iran-Contra and most of the Contra affair that we have had going on in this hemisphere.

Now whether you believe in supporting the Contras or not, we ought to come up with a consistent policy of support or non-support in the Congress so everybody knows that America stands in a matter of integrity for certain things.

Now, I'll just be honest with you. Based on what I have heard thus far, with your admission of mistakes, with your admission that some of the things you did you feel were wrong in retrospect—and it's always easier to do these things in retrospect—I don't want you prosecuted. I don't. I don't think many people in America do. And I think there's going to be one lot of hell raised if you are. That doesn't mean they won't. It doesn't mean that sticklers in the law won't pursue the last pound of flesh, but I'll tell you, I don't want you prosecuted.

Now, there may be something in the remaining part of this testimony or these hearings that might change my attitude, but as of right now, I don't want that to happen. And I don't think many people who've watched this, whether they believe in what you did or didn't, want that to happen.

I just want to personally tell you I think you've conducted yourself very well here. I want to tell you I appreciate having the benefit of your testimony.

Thank you, Mr. Chairman.

Chairman HAMILTON. Mr. Broomfield is recognized.

Mr. BROOMFIELD. First of all, I want to say at the outset that the comments made by Senator Orrin Hatch follow my thinking very closely. But actually, Colonel North, I'm particularly pleased to finally see you before this committee. For many months I have been urging to do everything we possibly can to give you this opportunity to get your story across, and you certainly have done it and I want to congratulate you on your very impressive handling of the questions that have been directed to you, and I also want to pay tribute to Mr. Sullivan for his excellent handling of some of the difficult questions that you have had to answer.

First of all, I have been around quite a few years and I can share the frustrations that you must have had, at least the last 5 years in dealing with a lot of subjects, but particularly the one in Central America with the Contras. I think we here in Congress are just as much on trial as the administration. I really believe that. Because for some reason foreign policy seems to have fallen apart. There is the lack of trust, both on the part of the administration, and on Congress. We have got Members that think they should be entitled to all information of what's going on. I think there's areas, though, that when you are getting into these high risk areas, I think we have got to have trust among the leadership of Congress and the administration.

I can't help but recall when I first came here and it was back in the Eisenhower times, and I remember Sam Rayburn talking about how they went about getting approval for the atom bomb, and this is back in 1942. And what they did then, they called in the leadership of both parties, and they agreed that they would put a certain amount of money in the defense budget and this would be used for research and development for the atom bomb. And no one gave away that information and by 1945 the bomb was developed and obviously was used during President Truman's time during the bombing of Hiroshima.

I can recall just recently in the last few years even with the Reagan administration, you were there, it was on the question of the bombing of Libya. What did the administration do? Well, they called the senior Members of Congress to come to the White House before that bombing attack took place. The President was there, the Vice President, all the top cabinet people, Bill Casey was there, and they went over the plans. It was about 3 o'clock in the afternoon, and we knew at 7 o'clock that the bombing would take place. And of course we were watching our watches as the debate was going on knowing the time was getting closer.

Of course one good thing about it, the administration, the President and the rest of them kept us there. In other words they didn't let us get out in the street and let the information out. But nevertheless the point I'm getting at, it was that consultation that I think was extremely important. And I think that's where the administration has made the most serious and grievous error in this

whole thing, is the fact that we don't have the consultation between Congress and the administration.

Now, I have to say that I agree with some of the Members who say they wouldn't support an arms sale to Iran just for the sake of release of the hostages. I think it was a dangerous mission. But, I have to say this, that I think that had the administration been more forthright, I think things would probably have worked out better.

What I'm getting at, I think in these areas of very high risk and I certainly agree with Senator Hatch, that we shouldn't be carrying on covert activities in the NSC. I think that's another mistake that was made. I think if we don't stick to the normal channels, either through the CIA or State Department, we run into the problem of accountability. What I would really like to see, I would like to see us get back that when we have these areas were we might call it super sensitive covert activities, at least the very senior Members of Congress of both the House and Senate would be consulted before such action would take place. So you bring Congress in as a full partner in these decisions. That's the area that probably troubles me the most about this entire investigation and what has transpired. Of course I think there have been mistakes made, and I think it is regrettable, I agree with Senator Hatch, I don't want to see you go to jail, because I think you are a great patriotic American and I'm proud of what you have tried to do. This has been a very difficult time. I would like to ask you, however, a few questions with respect to the Sandinista problem. What are the diplomatic efforts, if any, that the United States could pursue to get the Sandinistas to honor the promise they made clear back in 1979 to the Organization of American States to bring democracy and freedom to Nicaragua?

Mr. NORTH. Well, you are asking me to take over the role of the Secretary of State, Congressman Broomfield, and I don't want to be accused of exceeding my mandate again. My sense is that the administration has indeed taken a number of steps to offer a diplomatic opening. The Sandinistas have consistently said that what they want is a bilateral treaty or arrangement with the United States and then they could go about doing what they wanted with their neighbors. We have consistently taken the position that there should be no such bilateral relationship or arrangement that in fact Nicaragua's argument is with its own people and with its neighbors and we are going to support the neighbors and the people of Nicaragua in achieving the democratic outcome that we believe we have to have in that part of the world, and their neighbors know that they have to have it, too.

Mr. BROOMFIELD. We have heard a great deal about it, and I think many of us would agree that this off-again, on-again policy towards the situation in aid to the Contras has caused a great problems, but as you know, this last year of course we got a hundred million dollars, $70 million for lethal, and $30 million for humanitarian aid, but I'm fearful that we got another program coming up very shortly in a few months, and I think the feeling generally right now is that we might go back to what we did before, and that's a cutoff, and this is what disturbs you probably the most, isn't it?

Mr. NORTH. It is. And I think that that outcome would be disastrous for this country. I have no doubt as with what Senator Mitchell said that that is an issue open to political debate and that good and loyal Americans do disagree, and certainly it does not impugn their patriotism to have an opinion different from mine. But the fact is that the American people have not been given all of the information on what's going on. It is a very difficult thing to get out the straight story on the Nicaraguan Resistance and the true perversion of the revolution undertaken by the Sandinistas.

Their propaganda machine is very, very effective, and in fact it is difficult to get the straight story out on either the repression of the Sandinistas, the threat that they pose to their neighbors or the realities about the Nicaraguan Resistance. And I must tell you that from a personal perspective, I feel a great deal of empathy for the Nicaraguan Resistance soldier, the men and women who are the Resistance. I came back from a war that we fought in Vietnam to a public that did not understand in my humble opinion they had been lied to. The American public did not know what we suffered, what we endured or what we tried to achieve. And I think the same thing prevails for the Nicaraguan Resistance today.

They have been maligned. They have been—great mistruths have been told about them. And the Sandinistas have been glorified as land reformers and labor leaders and the like. It isn't true. And those facts ought to come out. I can have a great deal of empathy for the soldiers of the Nicaraguan Resistance who today find themselves cast as misfits and mercenaries. In fact, what they are are Nicaraguans who want nothing more than the same kind of liberties that we hold dear in this country and are fighting for them with an on-again, off-again policy of support from the United States. And I would tell you, sir, that if we cut them off again it will have disastrous effect not only for them but for our foreign policy across the board because our ambivalence and lack of will will be evident not only to our adversaries but to our friends.

Mr. BROOMFIELD. On the basis that Congress does continue to provide some aid to the Contras, will the Contras only be able to keep the Sandinistas' regime in Nicaragua from spreading communism into neighboring countries, or will they actually have a chance of bringing about a democratic government in Nicaragua?

I think that's a key question a lot of people are asking.

Mr. NORTH. There is no doubt a combination of diplomatic, political, economic, and military pressure can bring about the kind of democratic outcome this President has advocated since he came into office, and those kinds of things are necessary, and they are necessary in combination.

It is not one or two, but all of those measures that will achieve that kind of an outcome.

Mr. BROOMFIELD. I wonder if you could tell us the genesis of this whole question of the diversion, how that came up. How did we ever get involved in it? What was the very beginning, in your estimation?

Mr. NORTH. Well, I don't call it a diversion; I call it use of the residuals, results of the transactions with the Iranians.

The very first mention of use of residuals came from an Israeli official who was meeting with me in early January. The original

express purpose was to pay for the replacement of TOW missiles that the Israelis had sent in August-September of 1985 and for the purpose of supporting other operations.

The actual proposal to have funds generated by the sale of munitions to Iran and use funds from that sale to support the Nicaraguan Resistance came in a meeting with Manucher Ghorbanifar in Europe at the end of January 1986.

Mr. BROOMFIELD. Why was it necessary, though, to get into other areas of covert activity outside of the normal channels of where the President has to submit a Finding and so forth? Why was that necessary?

And you indicated, I think, this morning, that it was only a short term operation. Why was it even short-term? I mean, what brought that about?

Mr. NORTH. Well, there was no other source of moneys for those activities.

Mr. BROOMFIELD. Was it the fact that Congress continued to refuse to supply adequate funding for the CIA operation?

Mr. NORTH. Exactly. I mean, the Congress had cut off all use of U.S. moneys. In fact, before the rigid proscriptions of Boland in October of 1984, the CIA had long before run out of money to support the Resistance.

Mr. BROOMFIELD. Colonel, based on your experience at the National Security Council, what is your evaluation of the Department of State in formulating and implementing U.S. foreign policy?

Mr. NORTH. There are good and decent men who work hard every single day to look after the national security of the United States at the State Department, Congressman Broomfield, and you and I know that, and I don't think, given my current status as a lieutenant colonel in the United States Marine Corps, it would be fair for me to go beyond that.

Mr. BROOMFIELD. Well, I just want to conclude by saying that I'm very pleased and honored to have you before this committee. I think you have done so much for our country. I think the American people probably have a better understanding of the problems that this administration has had to face with the last 5½ years to have any kind of a consistent foreign policy, and I think it's been extremely regrettable that we have not had what I call a bipartisan foreign policy.

I really frankly don't know how we are going to get back on track, but I think it is extremely important that we try to work toward those goals, and I would think that one of the—there are several things that probably this panel will be recommending, and one of them, I hope that we can make sure that in the future that we don't have any covert activities that at least some members, particularly the leadership of Congress, is not informed on. I think it's very important not to work outside of our normal government agencies.

I want to thank the chairman very much.

Chairman INOUYE. Thank you very much.

Senator Sarbanes.

Mr. SARBANES. Thank you very much, Mr. Chairman.

Colonel North, first I want to touch very briefly on a subject you brought up, and I just want to satisfy my curiosity about it.

You mentioned, I think, on some two or three occasions, that one of the things you were working toward in the Iranian initiative was to have a meeting of the Vice President with a very high-ranking Iranian official.

Do I recall your testimony correct in that regard?

Mr. NORTH. You did. I believe I also advocated in another document that the Secretary of State should meet with a high-ranking Iranian official.

Mr. SARBANES. But here I think two or three times you mentioned the Vice President.

My question is: did you have any reason for thinking the Vice President would be agreeable to such a meeting?

Mr. NORTH. No. But I had reason to believe that the Vice President would be a good person to do that, and that was based on my experience with the Vice President in 1983 in El Salvador.

And, if I may, to answer the question in somewhat more specificity. In December of 1983 I went with the Vice President to El Salvador to address the issue of human rights, democracy, and support for the Salvadoran army in its war against the Communist guerillas in El Salvador.

And during that meeting—we were several meetings in San Salvador, one with provisional President Muganya, another with the Defense Minister, Vitas Casanova, and the President, and then a following meeting with 31 of the field commanders of the Salvadoran army.

And you will recall, Senator Sarbanes, this was a time of great difficulty. And the death squads in Salvador were active, and the U.S. Government, both in the Congress and the Executive, was opposed to those activities as being polarizing and destructive of the democratic process that we were trying to further and President Muganya was committed to.

In that meeting the Vice President of the United States sat down with a number of men who were violently opposed to our policy, and they were armed men, and his secret service detail objected to the meeting, vociferously so, tried to prevent it, and the Vice President himself demanded that the meeting proceed and sat down in a room full of people, many of whom were very, very much opposed to our—opposition to—the human rights program that we were advocating, the judicial reform programs that we were pushing and to the democratization process. And the Vice President sat there with those people and told them what must be done in order for the United States to continue its program of security assistance.

It is, in my humble opinion, one of the bravest things I've seen for anybody. Certainly the Vice President of the United States was a man with the kind of courage it took to have that meeting, and I felt would be the kind of person who would be appropriate for a meeting of high risk with an Iranian official of commensurate rank.

Mr. SARBANES. Let me just come back to the question.

Mr. NORTH. That was the question.

Mr. SARBANES. Did you discuss the possibility of such a meeting with the Vice President at any point?

Mr. NORTH. I do not recall specifically addressing it with him, no. I do recall putting it in memoranda that I sent forward to my superiors.

Mr. SARBANES. And did you discuss it with staff or counselors to the Vice President, the possibility of the Vice President having a meeting with a high-ranking Iranian official as part of this initiative that you were undertaking to make?

Mr. NORTH. I want to just clarify that. I may well have addressed that issue with the Vice President. There was a meeting that was established with the Vice President and an Israeli official during a trip to the Mideast. And I may have briefed the Vice President, I do not recall, Senator, on that proposal.

Mr. SARBANES. Do you recall when that was approximately?

Mr. NORTH. I believe it was in mid-1986, I don't recall the specific date. But it was in conjunction with a trip that the Vice President was making. I then was in communication with the Vice President's Chief of Staff while he was over there, and I believe that the Vice President was given a briefing in general terms by the Israeli official, and indeed that issue may have come up, I just don't recall.

By the way, Senator, I would not have objected at all to making that suggestion, because I felt that the Vice President was, as I indicated earlier, a man of courage——

Mr. SARBANES. No, I understand your position——

Mr. NORTH. —to carry that proposal forward.

Mr. SARBANES. —and the basis for your making it. I was just interested to what extent the Vice President was involved in this initiative and cognizant of it.

Mr. NORTH. I have no specific recall of discussing it with him.

Mr. SARBANES. Let me turn not to exhibit no. 326, counsel, if Mr. Sullivan could provide that to you. I want to ask just a couple questions about it. And the reason I want to focus on it, Colonel, is because it seems to me that one of the questions we have to face in this hearing is how our policy is to be made. We may differ, agree or differ, on the substance of what the policy should be, but we need to be clear on how we are going to arrive at that policy, particularly if people hold sharply differing views about what the policy should be.

Now, this is a memo. General Singlaub testified to this memo when he was before the committee, and what it does is it sets up a, it sets up a scheme whereby the United States would provide credits and high technology to, say, Country A. Country A would provide advanced military weaponry to Country B, and Country B would then provide Soviet-made arms, which apparently are what are used in these, around the world on both sides, in these battles, to a trading company.

And then the trading company could then put the arms out, I take it, anywhere it chose, and it mentions here as examples: Afghanistan, Angola, Nicaragua, Cambodia, but there could have been others as well, I take it. Are you familiar with this memo?

Mr. NORTH. I believe that this may be a copy of a memo that General—did you say Secord or Singlaub, sir?

Mr. SARBANES. Singlaub.

Mr. NORTH. OK, that General Singlaub had provided to me. I don't honestly recall when that was.

Mr. SARBANES. Now he said he discussed it with Director Casey. Were you aware of that?

Mr. NORTH. No, I don't believe I was.

Mr. SARBANES. Well, now this scheme is in many respects comparable to the arrangements that you had worked out with General Secord and Mr. Hakim, although it eliminates the three-way play amongst the nations, but it nevertheless allows in the end for support to go to these various efforts, and if you turn to the third page of the memo, the one headed "Results," what the results would be of this arrangement, it says: "The United States then has at its disposal a large and continuous supply of Soviet technology and weapons to channel the Freedom Fighters worldwide mandating neither the consent or awareness of the Department of State or Congress."

Now, I take it in a sense this is another example of a covert operation capacity that you could take off the shelf that Director Casey made reference to. Do you perceive it the same way? I mean, it is a comparable way, it is an alternative way of accomplishing that purpose.

Mr. NORTH. I have just two observations, sir. This is not my document. People sent me many, many documents, and I would not wish to be held responsible for the mail I received. I have enough trouble accepting responsibility for the mail I sent. I do not recall that General Singlaub and I ever discussed this. I do not recall ever discussing this with Director Casey. And while this may well—in fact, I don't even know that this was indeed found in my office, but I'm sure that there were many, many things that were found in my office that I did not originate, nor did I endorse just by virtue of the fact that people sent them to me.

Mr. SARBANES. Colonel, let me say—the committee, just for the record, the committee did find this memorandum in your safe.

Mr. NORTH. I understand. I am not denying that. I am simply saying it is not a document that I originated, that I solicited, that I encouraged or that I believe I ever talked to the Director about.

Mr. SARBANES. Just for the record, let me just note that General Singlaub stated that he believed that it had been discussed with you, this particular memo. In any event, in any event, what this memo outlines is really something comparable to what the Director—I take it, you said as early as 1983, Director Casey said to you he wanted to develop an off-the-shelf covert activity capacity. Is that correct? As far back as 1983?

Mr. NORTH. It is my recollection that that was 1984, early 1984.

Mr. SARBANES. And this was the Secord-Hakim operation, whereby you would be able to direct activities—well, let me ask you this question: when you purchased the Erria, purchased the radios for the Caribbean countries, underwrote the DEA agents, all of which have been publicly stated on the record, I am not going to get to the other activities that were engaged in that were discussed in closed session, on whose authority were those things done?

Mr. NORTH. Well, the authority of the superiors to whom I sent the memoranda asking for permission to do them.

Mr. SARBANES. And who would that be?

Mr. NORTH. Well, as you have seen from the memoranda that I sent forward, in cases where I would, in my humble opinion, deemed it appropriate that the President be apprised and his authority solicited, I believed I had those authorities. In other cases, I am not at all certain that it requires the President to make those kinds of decisions.

In any case, I sent the memoranda up the line, talked to Director Casey about it, and carried out what we all believed to be lawful activities, undertaken by foreign entities in pursuit of the national security goals of the country.

Mr. SARBANES. I am not trying to get you in a box about legal or illegal activities, I am just trying to find out where the authorities were coming from, in effect, to take the operation off the shelf and to do these activities. I mean, clearly there was no congressional oversight over this because it was kept totally hidden from the Congress, and—in other words, if you decided to ask Hakim and Secord to do something somewhere in the world with this private network——

Mr. NORTH. Just for the record, General Secord was the person I asked.

Mr. SARBANES. Secord, all right.

Mr. NORTH. That is correct.

Mr. SARBANES. From whom would you have to get the green light in order to make the request for the direction, I take it, to Secord to move ahead?

Mr. NORTH. Well, as I have testified, Senator, I talked to Director Casey, and I talked to, before he departed, Admiral—or General—gracious, I just promoted him—Mr. McFarlane, I talked to Admiral Poindexter. And I wrote memoranda to that effect which you have in stacks.

Mr. SARBANES. Well, Colonel, I just want to close here, because my time is almost up. First of all, let me say to you that we appreciate your appearance before the committee. I want you to know I don't think there is any member of the committee who would not have been touched by your very heart-felt statement about the pressures that you were feeling that were applied and imposed upon your family. And I think your concern for their security and your very moving statement in that regard is a matter that touched all of us, and it is regrettable that that problem could not have been addressed in some other way and that it led to being dealt with as it was and the difficulties that flowed from that, and the statement you made about it, the whole letters exchange being a mistake, but we understand the motivation that was behind that.

I want to make this observation. You know, we put up in the Capitol and in other places quotes from our respected leaders to draw lessons and morals from. There is one in the Capitol of the United States quoting Justice Brandeis, and it says, "The greatest dangers to liberty lurk in insidious encroachments by men of zeal, well-meaning, but without understanding."

And I think the understanding that Justice Brandeis was talking about is that in a democracy, reasonable people can differ on the substance of policy. In fact, that is the essence of democracy. I mean the thing we fault in the totalitarian regimes to which we are opposed is the fact that they don't permit those differences and

establish a system for resolving them peacefully. It is part of our system that you have a respect and tolerance for the views of others no matter how deeply your own policy views may be held and that a civility ought to exist between us.

Others may equally hold strong policy views. In fact, they may even agree with your goals but disagree with the methods or tactics by which you hope to achieve them. Many of the goals about which you have spoken before this committee, I think, are goals that are subscribed to by members of the committee and by the American people. Some members agreed with the tactics you wanted to use, others disagreed with it.

In countries where they don't have a process for resolving those sharp differences, they resort to violence. Here we have a constitutional system that establishes procedure for resolving those differences, and we make our policy through an interaction between the Congress and the President. If one loses in that process, the constitutional system guarantees you the right to come back and to seek to make your policy views prevail. We protect people's right to do that, we recognize they may feel deeply and they may not prevail as the process works.

The other side may prevail. But we guarantee their right to come back. But if we have a system where policymakers are seeking to implement their views regardless of the decisions that have been made constitutionally, then we are undermining the integrity of the political process. That is the concern about these private networks that go outside of the established way of reaching a decision, decisions that are very controversial in which there are very sharp differences.

But once we start going down the path of people saying, "Well, we are not going to respect that decision that has been made through the constituted channels, we are going to go outside of it, shroud it in secrecy", then I think we are facing very deep difficulties. And that is why I simply close by making the point that the depth of one's conviction and the well meaning aspect to it is not enough in and of itself that that view has to prevail.

Now, you have been very persuasive, you have been persuasive in the past as you have dealt with the Congress and with others. But the essence of our constitutional system, the thing that makes it respected throughout the world, that commands the allegiance and the support of the American people is that it gives us a process by which we can resolve these sharply held differences among ourselves, and we have to maintain that process. The substantive goal does not justify compromising the means we have put into place.

Thank you, Mr. Chairman.

Chairman INOUYE. The joint hearing will stand in recess——

Mr. CHENEY. Mr. Chairman?

Chairman INOUYE. Mr. Cheney.

Mr. CHENEY. I would like to take this opportunity before we adjourn for noon to express a concern I have about statements that were made yesterday on the Sunday talk shows that have become headlines overnight, and I refer specifically to the *New York Times*, which talks about a Poindexter memo said to describe informing Reagan of the diversion of Iran funds. "Inouye Asserts Admiral Told of Plan to Use Profits for Non-Contra Projects."

The *Washington Post*: "Inouye: Reagan Told of Covert 'Initiatives'. Poindexter Gave Briefing on Arms Profits," or the *Washington Times* which states, "Committee Holds a Smoking Gun, Chairman Reveals."

Mr. Chairman, I have read that memo very carefully this morning. I don't find any reference in there at all to the notion of generating profits from selling arms to Iran nor do I find any reference to the use of those profits in the memo that allegedly went to the President. I would suggest the President could have read it from cover to cover and not have had any knowledge whatsoever of an alleged diversion. I bring this up, Mr. Chairman, not because I like to dispute the distinguished Chairman of the Senate Select Committee, but because I think the significance of these hearings and what it means for all of us and for the reputation of the President of the United States is such that we need to be very, very cautious before we make statements that in the opinion of this Member, Mr. Chairman, aren't justified or supported by the evidence.

Thank you.

Chairman INOUYE. For those who watched *Face the Nation*, I'm certain they would have gotten my message that there was this document that indicated, according to our witness, that the Admiral had briefed the President. At least the notation said so.

The witness also testified that the covert initiatives set forth in this document were to be financed from the residuals or the profits or whatever you call it of the sale of arms to Iran. I did not say that the President was briefed. I said we will have to ask the admiral, first, did he or did he not put his initial on this document saying that I approve the recommendation of Colonel North. Second, when he put the word "done," did that mean that the President was briefed?

If so, what did you say to the President? Did you tell the President that these initiatives were to be financed? That's why I said that the admiral, when he sits before us, will have to respond to these questions. This was put out clearly yesterday to make it very clear to the administration that they will have to answer this. I did not want to suddenly thrust this in their faces. They have now time to come up with a response. I thought I was playing it rather fair with the administration. But it is up to the admiral now to tell us, first, did he brief the President? If so, what did he tell the President?

Mr. MCCLURE. Mr. Chairman?

Chairman INOUYE. Yes, sir.

Mr. MCCLURE. Mr. Chairman, just that I may understand exactly what this exchange means, I, too, was disturbed by the headlines that I saw because I think the implication of the headline and the article was the President had been briefed with respect to the use of residuals in covert operations which implied that he knew of the existence of residuals. If I understand you correctly stating now, it's the linkage between the covert operations and the use of residuals that might have been carried forward into that briefing? Do I understand you correctly?

Chairman INOUYE. Well, I made it—I thought I made it very clear that we would have to ask the admiral.

Mr. MCCLURE. But——

Chairman INOUYE. Did you brief the President. If so, what did you tell him?

Mr. MCCLURE. The reason I asked that question to follow on Congressman Cheney's question was that I have read that memorandum very carefully and there is absolutely no reference to the use of funds in that memorandum.

Chairman INOUYE. The Senator is absolutely correct.

Mr. MCCLURE. So that before there was any implication that the President was briefed with respect to them, you would have to assume that the President was given information which was not contained in the memorandum?

Chairman INOUYE. We will have to wait until the admiral comes before us to find out.

Mr. MCCLURE. So any inference made that the memorandum has within its bounds the information is a false inference? Is that correct?

Chairman INOUYE. We will have to wait until the admiral comes before us.

Senator Rudman?

Mr. RUDMAN. Mr. Chairman, I won't prolong this. Very briefly, none of us are totally accountable for how things are written or what headlines are written. I think the Congressman from Wyoming, the Senator from Idaho make valid points. I sat next to the chairman during that entire interview. And if anyone wants to read the transcript, at the end of the interview. I turned to the chairman, and said, "Of course, the point is what did Admiral Poindexter brief the President about." And the record will show the chairman agreed with that. The headline was unfortunate, because the document does not disclose that. The Chairman's statement, I think, was accurate. I think some implications were drawn that were not.

I thought my comment was important for the very concerns raised here. The Chairman agreed with those, and I would hope that everyone would understand that no Member of this committee, especially the chairman, whom I have appeared with on countless programs, has ever intentionally mischaracterized anything that came before this committee.

Chairman INOUYE. I thank you very much. We will stand in recess until 2 p.m.

[Whereupon, at 12:10 p.m., the joint committees were recessed, to reconvene at 2:00 p.m., the same day.]

AFTERNOON SESSION

The Select Committees met, pursuant to recess, at 2:00 p.m., in room 325, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the Senate Select Committee) and Hon. Lee H. Hamilton (chairman of the House Select Committee) presiding.

Chairman INOUYE. The hearing will please come to order.

I hope that this afternoon, we will be able to complete the questioning of the witness before us, Colonel North. According to our arrangement and statistics, we have approximately 5½ hours remaining in questioning; that is, if all of us discipline ourselves and

limit our discourses and questions to 15 minutes. I hope we can do that.

However, I believe I should observe that during much of the hearings we have had, at about 4:30, 5, 5:30 in the afternoon, members and witnesses tend to get a bit testy. I hope that we will be able to control ourselves, conduct our questioning in gentlemanly manner and close this segment of the interrogation and investigation in a way that we can all be proud of.

Please keep in mind that our Nation is watching us. So, with that, Chairman Hamilton.

Chairman HAMILTON. The Chair recognizes the distinguished Majority Leader from the House, Mr. Foley.

Mr. FOLEY. Thank you, Mr. Chairman.

Good afternoon, Colonel North. Colonel, you have testified, I believe, that from 1981 until your dismissal on November 24 by President Reagan as a staff officer of the National Security Council, you did not undertake any activities except on the express authority or approval of your superiors? That correct?

Mr. NORTH. That is correct, sir.

Mr. FOLEY. Directing your attention to the period of 1984 to 1986, at that time it was either Mr. McFarlane or Vice Admiral Poindexter that was the National Security Adviser; is that correct?

Mr. NORTH. That is correct.

Mr. FOLEY. And in all major activities that you undertook, is it fair to say that Mr. McFarlane or Vice Admiral Poindexter was your superior?

Mr. NORTH. Yes, sir.

Mr. FOLEY. And other than that, your superior as a National Security Officer would have been the President himself; is that correct?

Mr. NORTH. Well, that is correct, but I happened to believe strongly in the chain of command, and I reported to my superiors. When Don Fortier was alive and was my immediate superior, I reported through him or directly as instructed to either Mr. McFarlane or Admiral Poindexter.

Mr. FOLEY. So, there was a chain of command, but it was, in fairness, a limited one between you and the President; is that correct?

Mr. NORTH. Yes, sir.

Mr. FOLEY. You received, as you have testified, information from Mr. McFarlane that the President wanted you to keep the Contras together, body and soul, as a viable fighting force. Is that true? Is that a correct statement?

Mr. NORTH. I would believe that my characterization was that the President had clearly stated that that was our objective as a part of the process of bringing about a democratic outcome in Nicaragua. But when Mr. McFarlane tasked me to be the person who was the principal action officer if you will in that regard. Yes, sir.

Mr. FOLEY. Did you understand that that was an instruction which was being passed on directly from the President or Mr. McFarlane's decision as to who should be the operations officer for that?

Mr. NORTH. I clearly understood that to be what the President's desires were, sir.

Mr. FOLEY. That he had singled you out through Mr. McFarlane for that——

Mr. NORTH. No, I don't necessarily mean to infer the President said, "Look, Bud, I want Ollie to do this and nobody else." I clearly understood that Mr. McFarlane wanted me to be the person who was the point of contact.

Mr. FOLEY. When did Mr. McFarlane give you that instruction, do you recall?

Mr. NORTH. No. But my sense would be that it was coming off the conclusion of the National Bipartisan Commission on Central America, which had begun in 1983, and by the time that concluded I, having been the National Security Council staff representative to that effort, clearly had established perhaps with the designs of others, I do not know, but sufficient contacts with the Resistance and with the governments in the region who were being helpful to the Resistance.

Mr. FOLEY. How were these special implementations of this policy conveyed to you? Did Mr. McFarlane task you specifically to do these things, to provide for financial assistance and to provide for military delivery of weapons, and resupply and so on?

Mr. NORTH. I would guess that the very first requirement was to go down and establish discreet contact with the Resistance, and I did so at a period in time when the CIA was still the authorized entity of the U.S. Government to provide that kind of contact.

I was introduced to the leadership of the Resistance by the CIA, and there came a time when the CIA began to wean itself away as a consequence of reduced funding availability, and that by the time the Boland proscriptions of October, the most rigorous of them that we have now come to call the Boland restrictions, came to effect, I was the person left in contact.

Mr. McFarlane was the person who turned to me to establish the initial Resistance account offshore to which money was sent by a foreign government.

Mr. FOLEY. He specifically directed you to do that?

Mr. NORTH. Yes, sir.

Mr. FOLEY. And that was the so-called Lake Resources account?

Mr. NORTH. No, sir. That was in 1984. I asked one of the Resistance leaders to establish an offshore account to which money could be provided by a foreign government.

Mr. FOLEY. Did you specifically direct the establishment of the Lake Resources account?

Mr. NORTH. I don't recall saying that I want it called Lake Resources. As a consequence of the discussions I had with Director Casey, with the concurrence of Mr. McFarlane, the offshore entities as part of the overseas, non-U.S. Government activities were established by General Secord. I don't recall that anybody in the U.S. Government mandated that it be called Lake Resources or anything like that.

Mr. FOLEY. You have testified from time to time about your relations with Mr. Casey, Director of the Central Intelligence Agency, as a friend and a teacher and so on.

Did you ever consider yourself under his direction as Director of the CIA?

Mr. NORTH. No, sir, I did not.

Mr. FOLEY. You were never under the authority of or under the direction of the Central Intelligence Agency, any of its officers or the Director?

Mr. NORTH. No, sir.

Mr. FOLEY. But sometimes you took discussions with Mr. Casey to Mr. McFarlane and recommended policies to him that had been suggested out of your conversations with Mr. Casey?

Mr. NORTH. I did and with Admiral Poindexter.

Mr. FOLEY. And you were always—did you always await their approval before you undertook such actions?

Mr. NORTH. It is certainly my recollection that I did, yes, sir.

Mr. FOLEY. Sometimes, however, you acted on the basis of not receiving the disapproval; isn't that correct?

Mr. NORTH. The expression that we used, Congressman Foley, was, "Unless otherwise directed I will proceed as follows," and I did so.

Mr. FOLEY. And there were whatever time lapses you considered to be appropriate before proceeding; is that correct?

Mr. NORTH. Yes, sir.

Mr. FOLEY. In any of these activities that we have discussed, the establishment of the accounts or the solicitations, the development of the resupply activities, the providing of arms to the Contras, did you ever have any direct confirmation from the President that it was his intention that you carry out these activities?

Mr. NORTH. I did not.

Mr. FOLEY. So as far as you knew, the responsibility for discussing these matters with the President, obtaining his authority, was on the shoulders of Mr. McFarlane and Vice Admiral Poindexter; is that correct?

Mr. NORTH. Yes,sir.

Mr. FOLEY. And you believed that they had indeed obtained that authority?

Mr. NORTH. For those issues that would have required a Presidential decision, yes, sir.

Mr. FOLEY. You testified that Colonel Dutton gave you a photograph album of the resupply effort; is that correct?

Mr. NORTH. Colonel Dutton gave me a photo album that contained photographs of the efforts being made to resupply particularly the Southern Front, but also the northern front, and to a certain extent the Atlantic front, and those photos contained—or the album contained photographs, as I recall, taken at several different locations in Central America.

Mr. FOLEY. Illustrating the resupply effort?

Mr. NORTH. Yes, sir.

Mr. FOLEY. And you told Colonel Dutton that you would take it to the top boss, meaning the President?

Mr. NORTH. I told him that after he had shown me the photograph album, I told him that I thought that was something that the President ought to see because I believed then, as I believe now, that the President should see the heroism of the young men that were assisting in this effort.

Mr. FOLEY. Do you know, in fact, whether the President ever saw the album or not?

Mr. NORTH. I do not know.

Mr. FOLEY. You sent it up the line, so to speak, and as far as you know the President may have seen it or may not, you do not know?

Mr. NORTH. I do not know, sir.

Mr. FOLEY. Did Admiral Poindexter say anything to you when you gave him the photo album?

Mr. NORTH. I don't recall that he did. I probably just sent it over with a normal package, probably in an envelope.

Mr. FOLEY. Do you know where this—Admiral Poindexter ever got it? Did you ever discuss it with him?

Mr. NORTH. As I recall, it was relatively close to the end of my tenure and we were very engaged with the Iranian initiative at that time. I don't remember talking to him about it again.

Mr. FOLEY. Did the President ever talk to you about the album?

Mr. NORTH. No, sir.

Mr. FOLEY. So you don't recall any conversation with either Admiral Poindexter or the President about the album?

Mr. NORTH. I do not.

Mr. FOLEY. You told Colonel Dutton, while he wouldn't receive a medal for his work, but one day the President would shake his hand and thank him?

Mr. NORTH. I told Colonel Dutton that I deeply believed, first of all, that he certainly wouldn't receive any medals but if at some point in the future, all going well, the President would receive these people that had worked so hard and so long to support the Nicaraguan Resistance.

I believe that that's something that could have been arranged, had it been successful. So we have already testified——

Mr. FOLEY. You assumed that the President knew about the resupply?

Mr. NORTH. I'm sorry?

Mr. FOLEY. You assumed the President knew about the resupply?

Mr. NORTH. Otherwise, I wouldn't have made that kind of suggestion.

Mr. FOLEY. Let me ask you about another matter.

You had some contact with a David Walker?

Mr. NORTH. I did.

Mr. FOLEY. Who is David Walker?

Mr. NORTH. David Walker is a British subject who runs a business in the Channel Islands.

Mr. FOLEY. He is a security specialist——

Mr. NORTH. I'm sorry?

Mr. FOLEY. He is an international securities—or international specialist in insurgency and military matters?

Mr. NORTH. The firm that he represents or runs, specializes in a number of activities like security assistance and the like.

Mr. FOLEY. Did you ever engage him?

Mr. NORTH. But, I am not entirely certain that we really to go too far in this discussion in a public session.

Mr. FOLEY. Mr. Chairman, I believe that there has been a discussion of this matter with the testimony of General Singlaub, who testified, as I recall, that there was a contact between Colonel North and Mr. Walker for the purpose of carrying on certain activities, covert activities, specifically described by him in a general way in Central America.

I will be guided by the chairman's instruction on this.

Mr. NORTH. Mr. Foley, I have no knowledge whatsoever that I can recall about a direct contact between Mr. Walker and General Singlaub, and—while I would feel comfortable in discussing this issue in an executive session, I don't feel particularly comfortable discussing it in open session.

I think there are equities that belong to other governments that are at stake here.

Chairman INOUYE. May I suggest to my distinguished colleague to set this aside temporarily and we will check this out with the proper authorities.

Mr. FOLEY. I will do so, Mr. Chairman.

Mr. McFarlane testified that he told you not to solicit, encourage or otherwise broker financial contributions to the Contras from foreign countries. You testified last week I believe that you could not recall such an instruction.

Mr. NORTH. I don't want to characterize Mr. McFarlane's testimony. When I was asked the question had I been instructed, accordingly I said no. My testimony stands, sir.

Mr. FOLEY. So that it's possible that there is a disagreement here between you and Mr. McFarlane, but your relationships with Mr. McFarlane were always on a professional basis, you admire him as a National Security Adviser?

Mr. NORTH. I do.

Mr. FOLEY. And there is no reason for you to be otherwise at odds with his testimony except on a fair basis of disagreement, is that correct?

Mr. NORTH. Mr. Foley, I have said numerous times in my testimony that I am not here to impugn the testimony of others, nor do I wish to characterize the testimony of others. I simply will tell you that I do not recall ever being instructed by Mr. McFarlane to the directions that you have just indicated.

Mr. FOLEY. Colonel North, you have testified that there was above you the National Security Adviser and then in effect the President, except for perhaps one other deputy at one time. And that while you were never authorized directly by the President to carry out these activities that you have testified about over these last days that you always believed that the President knew and approved.

Would it trouble you if testimony or information develops that the President did in fact not know about critical National Security Council actions that you assumed to be authorized?

Mr. NORTH. Mr. Foley, that question has indeed been asked before in this. My testimony is on the record. I don't think it's fair to be asked what troubles me and what doesn't, and as I've already indicated, in some respects these hearings trouble me, and, therefore, I have testified as to the facts as I know them, and I mean no disrespect whatsoever, sir, but I think my presentation of the facts as they were known to me should stand as it is.

Mr. FOLEY. Well, you are familiar with the chain of command as an officer. If you found in the chain of command that it wasn't clear who authorized an order or how it was generated from higher authority, you would recognize that as a problem in the chain of command, wouldn't you?

Mr. SULLIVAN. Excuse me, sir, that's a hypothetical question. You are just asking him to speculate on what would occur if certain facts were in existence. He has testified to the facts—he demonstrated no uncertainty about his chain of command. The record is filled with documents which show that he reported to his superiors, and I don't think your question is a fair one, sir.

Mr. FOLEY. Let me put it this way, counsel. We are trying to discover what Colonel North's advice is with respect to matters that he had an intimate knowledge about. We're trying to discover what went wrong in our national security planning. The committee's purpose here is not to bring this important witness before us except to learn how we can correct the mistakes and deficiencies of the past. And he is an able officer who has been at the heart of these decisions and actions. And I think it is fair to ask him if he believes in the chain of command, whether or not we have a possible problem in the National Security Council staffing and operation. If it appears, as it already—I suggest to you counsel it has appeared from the President's own statements, that he denies authorizing activities which this officer believed were authorized.

Mr. SULLIVAN. Well, sir, I understand what your purpose is. My suggestion is that hypothetical questions are not the way to approach it. The witness is here to provide you the facts. He has given you the facts. You have to draw those conclusions. That's your job.

Mr. FOLEY. Well, in other words, I think, Mr. Chairman, we have a suggestion here that while we can take advice from Colonel North in response to questions about what our policy should be in Central America, on legal questions of the constitutionality of certain acts, and a variety of other things, through the counsel's objections we are not going to get his answers about what he thinks is an appropriate line of command for National Security staff. It seems to me that that's——

Mr. SULLIVAN. We can talk all day about this, Mr. Foley. I'm just asking that you not ask hypothetical questions as you did in the form you asked it. Why don't you try asking another question.

Mr. FOLEY. I will ask this question. You didn't at any time receive——

Chairman INOUYE. Before proceeding, I would like to advise my distinguished colleague that I have just been told by the committee counsel that the White House has declassified the David Walker materials. So if you wish to use that, proceed, sir.

Mr. FOLEY. David Walker is an international arms and security specialist is a British subject, is that right?

Mr. NORTH. That's my understanding, yes, sir.

Mr. FOLEY. Did you authorize or have any discussions with him regarding activities inside Nicaragua?

Mr. NORTH. I did.

Mr. FOLEY. Did you authorize him to perform military actions in Nicaragua?

Mr. NORTH. I did.

Mr. FOLEY. What were those actions?

Mr. NORTH. David Walker was involved, his organization, as I understand it, in support of the Nicaraguan Resistance with internal operations in Managua and elsewhere in an effort to improve

the perception that the Nicaraguan Resistance could operate anywhere that it so desired.

Mr. FOLEY. Involved so-called policies of intimidation. Is that what we are talking about?

Mr. NORTH. No, those were other activities that we have—we talked about.

Mr. FOLEY. We are talking about military actions, attacks on military aircraft of the Sandinista Government?

Mr. NORTH. Yes, sir.

Mr. FOLEY. Did you directly authorize that?

Mr. NORTH. I didn't directly authorize anything. I encouraged Mr. Walker to be in touch with the people who could benefit from that—the expertise that he had.

Mr. FOLEY. Did you report that recommendation to Admiral Poindexter?

Mr. NORTH. I did.

Mr. FOLEY. Did he approve it?

Mr. NORTH. I reported what I thought was a good idea for certain expertise that the Nicaraguan Resistance did not have as a consequence of insufficient training, insufficient operational capability.

Mr. FOLEY. Did he ever tell you he approved it?

Mr. NORTH. He never told me not to.

Mr. FOLEY. He didn't tell you he disapproved it?

Mr. NORTH. That is correct.

Mr. FOLEY. Do you know if the President was even informed of it?

Mr. NORTH. I do not know, sir.

Mr. FOLEY. Colonel North, do you believe that the President knew of the diversion of funds or the residuals, as you call them, from the Iranian arms sales to the Contras?

You testified that you assumed that was true, but you were told it was not true by Vice Admiral Poindexter and the President; is that right?

Mr. NORTH. That is correct, sir.

Mr. FOLEY. Yet at the time you were doing it, you thought it was authorized?

Mr. NORTH. I did.

Mr. FOLEY. And it apparently was not authorized?

Mr. NORTH. The President of the United States told me so himself. The National Security Adviser told me so himself. I have no reason to disbelieve either one of them, sir.

Mr. FOLEY. You think it is appropriate, proper to carry on an activity if the President does not authorize that activity and it's a major national security undertaking?

Mr. NORTH. Congressman Foley, I have, going on 5 days now, testified to the effect I believed that the President was aware. I fully reported my activities, sought approval from my superiors. I believe that there are certain circumstances in which my superiors could authorize activities. They did so.

Mr. FOLEY. Do you believe that Vice Admiral Poindexter as your superior, or Mr. McFarlane when he was the National Security Council Adviser as your superior, has the right to make these decisions in the absence of Presidential authority?

Mr. NORTH. Mr. Foley, I have consistently told you that I assumed that when it was appropriate, they sought the authorities that I had recommended, and that they had obtained them, and therefore I proceeded.

Mr. FOLEY. Mr. Chairman, I'll conclude my time here. Because of the counsel's advice to his client—discourages his giving us advice, we are left with a decision to make, and the American people are left with the decision to make, as to whether or not critical decisions of national security policy of this country, involving far-reaching impacts on our foreign policy and defense policy, can be properly undertaken in the National Security Council by a lieutenant colonel acting in response to the orders of or the acquiescence of Mr. McFarlane or Vice Admiral Poindexter, and in the absence of Presidential authority.

In a few days, Vice Admiral Poindexter will be sitting in that seat and we'll have to ask that question to him, but I think we are left with a disturbing problem that while every single matter of advice is being given by this officer on foreign policy, on national security policy, on his reactions to legal matters, what he knows most about, the internal activities of the National Security Council and his role with respect to his superiors, he will not, on the advice of counsel, give us his evaluation of whether there is not a deep defect and flaw in that policy apparatus if, in fact, the President did not know, and these policies were carried on by his subordinates without his authority.

Mr. NORTH. Mr. Chairman, may I respond?

Chairman INOUYE. Please do.

Mr. NORTH. Mr. Foley, what I deeply believe is that it is up to the Executive, and in this case, the President of the United States himself, to make whatever changes he deems appropriate in the functioning of his staff.

I do not believe then—I did not believe then and I do not believe now that it is within the purview of the legislative branch of our government to mandate those kinds of changes, that if the President sees fit to make changes in the order of his staff, the structure of his staff, the activities of his staff, that it is within his purview to do so.

Mr. FOLEY. I would remind you, Colonel, that the National Security Council itself and the staff that served it was created by law, by statute, not just by the President, but by the Congress.

Thank you, Mr. Chairman.

Chairman INOUYE. I thank you very much.

Senator Cohen?

Mr. COHEN. Thank you, Mr. Chairman.

Colonel North, there are a number of items that have been left a bit unresolved in my mind. I would like to touch upon them quickly, if I could.

Mr. Felix Rodriguez, also known as Max Gomez, testified before the committee at one point you and he were together and looked up at a television screen and you said, "You see those guys up there," meaning Members of Congress, "They are out to get me, but they are not going to get me because"—words to the effect—"because the old man loves me."

I was wondering who the old man was.

Mr. NORTH. I have absolutely no recall whatsoever of that conversation, Senator.

Mr. COHEN. The second question——

Mr. NORTH. I don't believe it ever happened.

Mr. COHEN. The second question, Senator Mitchell mentioned the *Washingtonian* magazine, which is a fairly lengthy piece. I think you indicated you don't have the time and did not read that article?

Mr. NORTH. I read the captions on one photograph that were so erroneous as to be unbelievable. That's where I stopped.

Mr. COHEN. I just wanted to clarify that. At one point in the article itself it indicated that you had stated that you had had direct access to the President on at least one occasion without logging in, consistent with the recordkeeping, that's false?

Mr. NORTH. I never made any surreptitious visits to the President, sir.

Mr. COHEN. Also, *Time* magazine—again, many of us have been victimized by having anonymous sources quoted. I would like to just get your reaction for the record.

But according to *Time* last week, it said that someone who was associated with you, on one occasion you held up a copy of the Boland law and said, "This is the law I am violating, and I could go to jail."

I think from your testimony yesterday or the day before, you said that's false.

Mr. NORTH. It is hogwash, sir.

Mr. COHEN. Did you ever have occasion to call the President of Costa Rica to threaten to cut off foreign assistance in the event that he held a press conference revealing the airstrip in Costa Rica?

Mr. NORTH. I did not make the call. The PROFs note to which you refer was specifically cast the way it was to protect the other two parties engaged.

Mr. COHEN. So you never made the call yourself?

Mr. NORTH. I did not.

Mr. COHEN. I think you indicated earlier today, the past 3 or 4 days, that you were prepared to take the hit, so to speak, from the time it started to come unraveled I think on November 21st when the activity started in your office in terms of the increased shredding and you prepared to take the fall in terms of any political damage. But that once on November 25th, I believe that's Tuesday, the Attorney General announced that an independent counsel is going to be appointed and target you. That you changed your mind at that point. You were no longer going to be the fall guy for the administration. Now at that time—is that correct?

Mr. NORTH. First of all, the concept of a person who would be held responsible and take the political spear, if you will, began way back in 1984.

On November 25th of 1986, I recognized for the very first time that someone really did consider this—all of what I had done or at least the Iranian activities in which I had been engaged to be some kind of a criminal act and I—at that point my perspective changed considerably.

Mr. COHEN. Your mindset, I think you used the phrase, changed considerably, as it should.

Now, after that disclosure, you went back to your office on that day and met your secretary at the office and I think you were with your prior attorney, Mr. Green; is that correct?

Mr. NORTH. That is correct.

Mr. COHEN. And certain documents were taken out of the office at that point?

Mr. NORTH. I want to clarify the record on that. I had already—after the press conference, I removed documents from the White House, some of which I have just given to the committee in the last few days, and I subsequently removed documents later on in the evening when I returned to the White House.

Mr. COHEN. But, I mean those documents that were taken out at that time, that's been testified to by Ms. Hall—those documents?

Mr. NORTH. You are talking about the later in the evening.

Mr. COHEN. The ones that were taken out in her clothing?

Mr. NORTH. Yes.

Mr. COHEN. Perhaps I might just get the advice of counsel on this.

Could you tell me what documents they were? What were the documents that were taken out, smuggled out that afternoon? And maybe counsel could advise me or the committee in terms of whether he would be able to respond to that.

Mr. SULLIVAN. No, sir. I am not in a position of answering that kind of factual question.

Mr. COHEN. Well, I ask only to find out whether or not that information or those documents have been returned to the committee or to the NSC. I believe there is some indication that documents were, in fact, returned at a subsequent time. I was inquiring to whether those were the documents returned?

Mr. SULLIVAN. My letter of December 2d, 1986, indicates that documents were returned at that time. The documents which you have that bear the law firm's number stamp in the bottom right-hand portion of the documents are the documents that were returned.

Mr. COHEN. Could I inquire as to whether those documents were for the purpose of either protecting the initiative or protecting yourself in terms of showing that you had higher authority at that point?

Mr. NORTH. The original intent of gathering those documents was to destroy them. When I heard the announcement at noon, I removed some of those 168 pages of documents and the remainder of them are the ones Ms. Hall removed from the office later that evening. And they were all returned to the White House.

Mr. COHEN. Colonel North, as I at least understand this case, and I have been listening to evidence since last November and December, I come away with a picture that you were charged, among many other things that you had to do, with running two essential railroads, as I described it. Number one, you were charged with getting arms to the Iranians to further relations with the Iranians and hopefully to get our hostages out. And the second railroad that you were in charge of was keeping the heart and soul alive, getting money and/or munitions to the Contras.

As it turned out, you have had quite heroic undertakings, being engineer, conductor, and perhaps even the fireman on both of those railroads. But at some point in time—namely between December and January—those two railroads that were running parallel started to merge and they merged in the beginning of January of 1986 when you were approached by, I believe, Mr. Nir, who suggested that perhaps you could combine the two efforts and accomplish a killing of two or three birds with one stone. And then Mr. Ghorbanifar elaborated specifically with reference to giving aid to the Contras.

I think you indicated you thought it was a neat idea—some members of the committee do as well—that Bill Casey was enthusiastic, that Admiral Poindexter approved, and you operated on the assumption that the President himself approved. I think that's clear from the evidence.

I must say that that notion has some rather surface appeal, the notion of twisting the tail of the Ayatollah in that fashion. But it seemed to me there were some other considerations and I was wondering if they were taken into account.

You indicated that the Iranians at that time were very distrustful of about everybody. I think you characterized them as being unsophisticated, they were angry at being scammed, I think is your word, by the Israelis back in November of 1985. They were sort of on the ragged edge of rationality. They could kill the hostages at any time just by giving the word to their Lebanese captors.

But in spite of this, we agreed to a program whereby we inflated the cost of those munitions 300 or 400 percent, and then we were going to use that residual margin for the Contras and other special programs.

Then the Iranians found out at some point they were being gouged and they complained rather bitterly about it, and then we were left with the only alternative of coming up with some phony price lists rather than try to reduce the price.

It occurs to me that, didn't this run the very risk at the time when the Iranians were so sensitive about being gouged and taken advantage of and lied to by a host of people, at that very time, that we would risk the lives of the hostages that you were very passionately concerned about, as evident from the record, by combining these two covert programs in that fashion?

Mr. NORTH. It did. And we discussed that at length, Director Casey and I. I recall at least one occasion where the Admiral and I discussed it.

The fact is that we knew that the Iranians would pay even more than we were charging from intelligence that we had gathered. We knew that during the first channel, for example, that Mr. Ghorbanifar had a little frolic and diversion of his own going on in which he had pocketed at least some for himself, if not for others, a considerable sum. And that even the prices we charged, he further inflated.

And so we had judged that risk to be minimum given that they would be—basically pay whatever they could to get these items or weapons from the source that—whatever source they could.

Mr. COHEN. I would like to clear up one other item. The money that was generated by the sales of the weapons to the Iranians to

be—they were to be used for the Contras and other special purposes. I think you have indicated very clearly that you had general control over the disposition of those funds.

In other words, you could tell Mr. Secord, General Secord, Albert Hakim so much, roughly so much for this program and so much for another, that you had the residual authority at least to control those funds. Did you indicate that yesterday?

Mr. NORTH. Again, I don't like to use the word "control." I never felt that I actually controlled a nickel of the funds.

I did talk, not to Mr. Hakim, but to General Secord about the fact that:"Look, we need some money for this." General Secord would frequently point out to me, "You've got to stop coming up with these unforeseen contingency requirements if we are going to run this—keep the Nicaragua Resistance alive, continue the Iranian initiative, and still do these other things that you come up with on very short notice."

Mr. COHEN. There is no doubt in your mind that had you directed that amount of money, a certain amount that had to go to the Contras, that he would have agreed with that?

Mr. NORTH. Again, I don't think it's right to say directed. There were frequently times when General Secord would point out that my expectations were unreasonably high and that I should be more considerate of the fact there were other expenses engaged in this effort.

Mr. COHEN. There is another point that was made this morning I would like to at least offer a couple of observations about. That is that there are many covert actions that are carried out by this administration, past administrations, we would believe future administrations as well.

And you would agree, would you not, Colonel, that they involve life-threatening, life-endangering situations?

Mr. NORTH. Yes.

Mr. COHEN. To my knowledge—and I have served on the Intelligence Committee for going on 6 years now—I can think of only one or two occasions in which the administration has not notified the Congress about those covert actions.

You would agree with that statement?

Mr. NORTH. Yes, I would.

Mr. COHEN. For the most part, as a general rule—and I found maybe one or two exceptions—notice has been given, even when lives were at stake in those particular operations; correct?

Mr. NORTH. That is correct.

Mr. COHEN. And there are larger sums of money in those particular covert operations even than what we are dealing with the Contras, and certainly the sales of weapons to the Iranians?

Mr. NORTH. Absolutely.

Mr. COHEN. So, the notion that somehow when lives are at stake, Congress cannot and has not been trusted is not the correct perception?

Mr. NORTH. I did not try to leave that——

Mr. COHEN. No.

Mr. NORTH. —perception, Senator.

Mr. COHEN. Well, I wanted to make it clear, because I think that we have to analyze or at least ask ourselves why was this case so

different? Why, in all the other cases that we are aware of with the possible exception of one or two cases, would the administration, knowing that lives are at stake, nonetheless comply with the law and notify in a timely fashion, but not here?

I will offer just a couple of observations for myself. Number one is that this case was different because there was a law on the books that prohibited the sale of weapons to those countries who sponsor or support terrorism.

And, of course, Iran was listed, if not at the top, then very near the top of that particular list. Secondly, I think what distinguished this covert action from all of the others is that the administration was deeply divided within itself, that we had the Secretary of State who was fundamentally opposed, if we can believe his statements, and I believe he is going to have an opportunity to testify to this.

Secretary Weinberger was opposed. Bud McFarlane, when he came back from London in December of 1985, was opposed to going forward. John McMahon, the Deputy Director, was opposed to going forward.

So, we had some rather deep divisions within the administration itself. I think it is fair to say under those circumstances, the last thing the administration wanted at that time was to risk coming to Congress to start a debate about the wisdom over a program which was being rather heatedly debated within itself.

But I don't think that the American people should be left with the perception that either the administration doesn't notify Congress, does not trust Congress, when lives are at stake, because I think the record is rather clear that they have had a long history of trusting us with very serious covert operations, and those secrets have in fact been maintained.

Another question that has been raised is why do we have these hearings? I have been reading many articles and watching many programs about whether or not these hearing should have been conducted in the first place. Even in the *New York Times,* an article appeared on Sunday, a very gifted writer thought that perhaps they should be conducted, if at all, in secret.

I would like to say, Colonel North, that I think that that would have been a mistake. I think that you have done an enormous amount of good for yourself, as well as for the committee and for the country. And I think had these hearings not been public, the millions of people who are now watching here and across the globe would not have had the opportunity to hear your statement about why you did what you did, under what circumstances you conducted yourself, and the rationale that moved you.

And I think that that has been of enormous benefit to you, and I would suggest to the committee and to the country. I am also familiar with another Elliot—you were asked about an Elliott the other day. There is another one that I am familiar with who said that there should be a sudden illumination, that we had the experience, but miss the meaning.

I think I would like to comment just about having the experience and but not missing the meaning, because long after the sheer force of your personality has faded from this room, and that may be a very long time indeed, and long after these cameras that are here today are clicked off, I think the American people are going to

be left to deal with the policy implications of what has occurred and what has been said in this room.

Number one, and this is somewhat disturbing to me, but we will have to resolve this as a committee or committees in the Congress and in the country. We will have to determine whether any administration can avoid complying with an established law by going black, as it has been said, or taking it covert.

And then, once having decided to take a program covert, whether notice can be withheld by a President in his sole discretion until such time as he decides or she decides that the action is completed, which could be days, it could be weeks, it could be months, or in this case, even possibly years.

Number two, we are going to have to decide whether even in covert actions, deception should be practiced upon Congress by deletion or official documents reduced to confetti while false statements are given to public officials. I think the answer is quite clear on that.

Number three, whether those in the Executive Branch may authorize the covert sale of U.S. assets, inflate the prices to be paid, and then fund programs that were either not known or authorized by Congress, and in fact, maybe even rejected by Congress.

Number four, whether it is appropriate to use private entrepreneurs to carry out covert objectives without specific and very rigid guidelines to make sure that profit motives don't contradict or corrode the public purpose.

Number five, whether it is a tolerable practice to authorize a covert solicitation of foreign countries to pay for programs either not authorized by Congress or rejected by Congress.

And here, I should point out the record is rather clear that once the discussion started about going to certain countries to solicit funds, it was made clear that certain countries should be stricken from the list, because the price would be too high. Secondly, when Elliott Abrams went to a representative from the country of Brunei, he also indicated one of the first questions asked by that representative was, what is in it for us? So, I think we have to keep that in mind. The final point would be whether Congress should adopt policies that deal as severely with Members of Congress who reveal our Nation's secrets as they would with those who would lie about them. And that I think we call—calls for a resounding yes by members of this committee and this Congress. We must deal as severely with ourselves as we would with those who would lie to cover up any covert activity.

Finally, I want to just recall the words of General Singlaub. I know he is somebody that you admire. He has appeared before this committee. I think we are all satisfied of his dedication and patriotism. He retired from the Army because he was upset. He was upset because President Carter had declared a unilateral withdrawal of troops from South Korea.

Now, a number of us were also upset about it. I recall that Senator Nunn, myself and several others, we went to South Korea, we met with our troops, met with the leadership of South Korea, we came back, went to the White House, we sat down with President Carter, and we pleaded with him not to carry forward that plan to unilaterally withdraw troops from South Korea.

And in some small measure, perhaps, we were successful, because he withdrew that plan. But General Singlaub didn't have that option. He was faced with the prospect of having criticized the Commander in Chief, and he couldn't do that and remain in uniform, so he resigned.

After his retirement, he said the following. He said: "This administration doesn't want to hear anything that is contrary to the decisions they have already made. That is a bad thing. It is the first symptom of a totalitarian regime when you start rejecting any legitimate criticism, any advice from the loyal opposition."

Well, if General Singlaub is right, and we have to ask what it means to reject not the voice of the loyal opposition, but the voice of the majority in Congress and the country. Because I think that has been clear by—on the part of a number of us. A democracy demands not only that the rights of the minority be protected, but that the rules of the majority be respected. That is true even if you and I believe that the majority is wrong.

We have to respect the rule of law until we can change the law itself, because otherwise the rule of law will be reduced to the law of rule. I think that is one of the central lessons of this hearing.

I thank you very much for your testimony.

Chairman HAMILTON. The Chair recognizes Mr. Hyde.

Mr. HYDE. Thank you, Mr. Chairman.

Colonel North, I would like to direct your attention to an exhibit on the wall here, one that you have seen before from that other vantage point. It is the first one. It is entitled "Public Law 98-473," October 12, 1984. It is the Boland Amendment, one of the five versions that was in effect then.

At the bottom of that exhibit is the signature of Thomas P. O'Neill, Speaker of the House; Strom Thurmond, President Pro Tem of the Senate; and the President of the United States, Ronald Reagan.

Do you see that up there?

Mr. NORTH. I do, sir.

Mr. HYDE. Now, that was presented to you the other day to make a point. The point was that the President signed the Boland Amendment, that it is the law, and the President signed it. And, of course, if the President signs it, who are we not to observe it, because it is the law.

Now, I was taken aback when I saw that because the purpose, it seemed to me, was to convey the impression that the President was sitting at his desk and someone put the Boland Amendment in front of him and he said, "my God, give me my pen, I want to sign the Boland Amendment"—because that is a phony, that is a fabrication, that is contrived. The Boland Amendment is a couple of pages in this. This is the way it appeared to the President.

It was brought to him 14—12 days after the fiscal year was over. The operations of government would have to close down if he didn't sign this. There were military appropriations, Social Security money, the Department of Interior, the Navy would have to bring the ships back to the dock and say to the sailors, hitchhike home, we have no money, we have no money.

So we have—we said, Mr. President, you have got to sign this.

So what the staff did—and I might suggest if I tried this in a municipal court in Chicago—phonying up an exhibit to make a point that was half true—I'd be held in contempt. But, of course, we are in a hurry. We have to get there quickly, so we contrived and fabricated that to show the President signed it.

Now, I stipulate it is the law. The President did sign this. By the way, here is his signature. It is the back page. The back page.

The President had to sign it because that's the way we legislate around here. The only thing we are here for largely is to spend the taxpayers' money—collect it and spend it.

You know how we do it? At midnight, after the fiscal year is over, when there's no time to debate or to understand, and we pass this massive glob of legislation where I challenge anybody in the building to know what's in all of it—I'm sure the chairman of the Armed Services knows what is in his chapter, and the Judiciary knows what is in his chapter, but nobody, not even the staff, understands what is in here.

And we vote for it, because we've got to be responsible, but I don't think we needed that shortcut. It seemed to me it was a little deceptive and I just want to—for myself, nobody else—apologize that this committee, you know, used a little deception on you.

I won't ask that this be put in the record, Mr. Chairman. That would be overreaching. So I won't do that.

Now, there's another exhibit up there, Colonel North. It is called—well, I call it the Hostage Rescue Act. It is right over there. It has been the law since 1868. And under that—by the way, it isn't just an old musty law in the parchments in the Archives; this law was cited by President Carter, January 19, 1981, when he was trying to get hostages out and, incidentally, promised to send $150 million worth of armaments, aircraft spare parts, if we could get our hostages out.

So weapons for hostages is not unique with this administration. But, in any event, he cited that law.

It seems to me correctly that under that law, if you assume that the Hizballah is under the influence of Iran—and obviously you did, you did and the NSC did, because you were dealing with Iran to free the hostages—but under that law it seems to me you don't need Findings, you don't need LOA's, you don't need anything except the President's determination to get the hostages out.

Now, the one thing he can't do is make war, and he does have to report to Congress as soon as practicable, but I assume that was when the hostages were released.

In any event, since we are so punctilious on the law, I think we keep missing that so much, and I just keep bringing it back to call your attention to it.

Now, we have heard that a free nation cannot operate in a shroud of secrecy. That is one of the great testaments that we have learned from these hearings. A little Bicentennial note again, because I am kind of into the Bicentennial—our Constitution was fashioned in secrecy. It was shrouded in secrecy. Nobody was permitted to the debates. And the Bill of Rights was born in secrecy.

That is one of the problems. We don't really have many notes. We have got Madison's notes, which are incomplete about what really went on in the Constitutional Convention, and the greatest

triumph in diplomacy since I have served in Congress was Camp David, Jimmy Carter bringing Menachem Begin and Anwar Sadat together, putting them in a room, locking the door, secrecy, secrecy.

So secrecy has its uses. I am told the Senate met in secret its first 10 years. Maybe it was the first 6—I am trying to research it. Somehow or other, they met in secret, a plan that I wouldn't recommend today.

You have been accused of shredding the Constitution, and that is serious.

Mr. NORTH. I don't believe that was one of the documents that I shredded.

Mr. HYDE. Well, I would say I'm sure you didn't shred the—that as a document but symbolically. I have heard many a media person and some legislators say you shredded the Constitution. Now you know the Preamble to the Constitution is an important part of that, and I heard my friend from Florida, Mr. Fascell, talk about we the people, in order to form a more perfect union. Those are powerful words. And as you go on down there, it says to provide for the common defense, and then it says to secure the blessings of liberty for ourselves and our posterity.

Now if anybody thinks that a new Soviet client state on the land bridge between Texas and the Panama Canal is a threat to our national security interests, it would seem to me that he would take very seriously the presence of the Sandinistas and what they are doing down there. And again it would seem to me that if that conviction possesses you, as it does me, I might add, that one has at least some ambiguity about the Constitution and violating or shredding it when you take steps to keep the Contras—and by the way, I don't mind the term "Contras." I know that's a matter of some dispute. It depends what you are against. "Contra Tyranus" as Jeane Kirkpatrick has said, is a noble phrase, "Against Tyranny."

I refer to them as the Contras. I don't think you have shredded the Constitution at all. I think you have paid attention to an obligation to provide for the common defense and to secure the blessings of liberty for ourselves and our posterity.

Now I want these hearings to be comprehensive. Comprehensive. Not just picking on a few administration people who have been implementing a foreign policy gone awry. I want to really find out what happened and who is to blame. Now there are enough prosecuting attorneys here to make the points that they have well made, and I don't disagree with all of them, but it seems to me there's more to be accomplished here in these hearings. And I take as my text something Robert McFarlane said. And I quote. "The policymakers who created conditions like this must bear some of the moral responsibility for the failures that followed."

That seems to me very important. Senator Mitchell, a dear friend of mine, and someone whom I've known—come to know and admire—said "You don't claim you are above the law, do you?" I remember that, and you said no. That's a distinctly American notion about no man is above the law and no man is beneath it. But it seems to me the idea is a little more nuanced than simply to make that statement.

For example, we in Congress—now we have a way of dealing with laws we don't like. I've been accused of why do I—why do people elect me here if I think we are a bunch of poltroons and dolts and things like that? I love this place. I love this place, and I love the people who are here. In trying to make it better, I make the distinction between the institution and trying to improve it. So when I criticize the Congress, please understand it is out of a sense of filial love and not contempt. Now if we don't like the law, Colonel, and you guys ought to learn this at the NSC and the administration, you just exempt yourself. You see, we exempt ourselves from OSHA, the Occupational Safety and Health Act. We exempt ourselves from the Ethics in Government Act. No special prosecutors are going after us. We have our own committee of our own brethren that will take care of that.

So we are exempt from the equal opportunity, equal employment opportunity. None of that because we are political people. The Budget Act. Waive it. Pass it, kid the people and waive it. Every time something comes up that is in excess of the budget, pay no attention to it. Public Law 95–435, which was passed some years ago, says that we can't spend any more money than we take in. That is as ignored as the 10th amendment to the Constitution. Some day I hope the legal scholars on this committee will find time to do a paper on the 10th amendment and why it is atrophied and ignored.

Now if we can't ignore the law or exempt ourselves from it, we play games with the process. Do you know how we got our pay raise? Now the Senators voted no. Terrific. By the way, thank God we got the pay raise. I'm happy. I need the money, and I earn the money.

But you know what we did in the House? We waited under the guidance of the stage director over there, the Speaker, until 30 days had elapsed, until it was vested, it could not be unvested, and then we got a vote on it.

We waited until it was locked in and then we voted and we could all tell our constituents, "I didn't vote for that pay raise." That's the way we do things. So there's much to be learned from watching us. Now, let me—and they don't watch us close enough.

Let me put my own views on record, Colonel North. I think lying to Congress, I think arms for hostages, arms to Iran, I think operating the Contra support operation out of the White House, was wrong, and I think that the failure to confer with Congress was wrong, and we're paying a fearful price for that. But having said that, I think a few more points need to be made.

Now, why was this different? Why did you have to lie to Congress, why was this different from other covert actions? Well, you know it's very simple when you have a covert action that everybody agrees with. Isn't that correct? When you get a controversial one, then you have a whole different problem. Is that not so?

Mr. NORTH. It is.

Mr. HYDE. In other words, when you have a liberal Democratic Congress, God bless them all, the people elected them and that's democracy and all that good stuff, and you have a conservative Republican President, you have got a recipe for gridlock, don't you? You have a controversial program that cannot get the consensus

that's necessary and so it's a recipe for gridlock, nothing will happen. And those are the problems that we have to deal with here in our Central American policy.

Now, the consequences, Colonel North, of what happened has damaged the administration, hopefully not terminally, but seriously damaged it. Our policy in Central America has been damaged. We have embarrassed ten countries, at least ten countries, who helped to keep the Nicaraguan Resistance alive while Congress played Hamlet over what to do, to support or not to support, and I think of little Brunei, the one country we're permitted to mention. Brunei is an enclave on the northwest corner of the Island of Borneo with less people in it than Shreveport, LA, and yet it, it contributed $10 million to protect our interests in Central America when Congress was unwilling to do so. And Brunei doesn't want anything from us. Nothing. They don't need anything from us.

But we have embarrassed them, and we embarrass ourselves when we do that.

The end doesn't justify the means. We have heard that sermonized often, and it's a useful, ethical statement, I suppose. But I'll tell you, that phrase, "the end doesn't justify the means," doesn't seem to me to establish the moral context for every tough decision someone in government has to make. The incident of August 6, 1945, at Hiroshima where President Truman decided to drop a nuclear weapon, killed 150,000 people, but the purpose was to save perhaps a million people for the invasion of Japan. The classic high school ethics question, ten people on a raft that's going to sink unless you throw one over, nobody wants to jump over, what do you do, what do you do?

Well, the end doesn't justify the means, doesn't help you there, does it? So the moral choices that you have to face as to keeping faith with people who have relied on you and who are out there with their lives in the mountains of Nicaragua, or obeying one of the five versions of a very ambiguous law that is attached to a military appropriation is a very tough, moral choice. But it isn't simple, and many times you end up with having to take the lesser evil. And I think that ought to be realized by people who are so quick to condemn and to give you the phrase "the end doesn't justify the means."

I ran across a fascinating article the other day written,—and I—believe me, this is beautiful—it is written by Tom Braden. Now, Tom Braden was in the CIA years ago, and he wrote an article that's in the May 20, 1967 *Saturday Evening Post.* "I'm Glad the CIA Is Immoral." Now, he says "Back in the early '50s when the Cold War was really hot, the idea that Congress would have approved many of our projects was about as likely as the John Birch Society approving Medicare."

That's interesting, that doing things without Congress' assent back in those days. But here is the most interesting thing he says, and I think this is quite true and worth remembering. He said: "The choice between innocence and power involves the most difficult of decisions, but when an adversary attacks with his weapons disguised as good works, to choose innocence is to choose defeat. So long as the Soviet Union attacks deviously we shall need weapons to fight back, and a government locked in a power struggle cannot

acknowledge all the programs it must carry out to cope with its enemies."

Now, there's so much more that I would like to go over with you. My time is up, and it's a shame because we get—counsel got 2 days each and we get 15 minutes. But let me give you a quotation that you might carry with you, and I quote: "A strict observance of the written laws is doubtless one of the high duties of a good citizen. But it is not the highest. The laws of necessity, of self-preservation, of saving our country when in danger are of higher obligation:

And that same person said: "On great occasions every good officer must be ready to risk himself in going beyond the strict line of law when the public preservation requires it."

The person who said those things had a little bit to do with the founding of this country. We have a monument to him called the Jefferson Memorial. So I think it's worth understanding that, and let me close by just saying that you, Colonel North, are a reproach to many of us, you are a dangerous person, and the reason you are is you personify the old morality; loyalty, fidelity, honor, and worst of all, obedience. Obedience is so out of step with today's spirit of the age, zeitgeist. Obedience is just the opposite of what defines the modern man, which is rebellion. So the notion of betraying Freedom Fighters bothers you whether they are at the Bay of Pigs or whether we're taking off from the roof of the Embassy at Saigon on April 25, 1975, or whether leaving them to fend for themselves in the mountains of Nicaragua. So you have got a few more mountains to climb, Colonel North, but remember everybody remembers Billy Mitchell and nobody remembers who his prosecutors were.

Thank you, Mr. Chairman.

Chairman INOUYE. Not wishing to be accused of muzzling my dear friend, I did not interrupt. I wish to advise the House Members a vote is now in progress. Senator Heflin.

Mr. HEFLIN. Colonel North, one of the purposes of these hearings is to get the facts, and in my judgment there are still some missing facts, and I want to try to spend my time exploring some of those missing facts, if they be missing.

You have testified and told us of the dire need of the Contras after the humanitarian aid of $27 million had ended, which it ended on March 31, 1986, and thereafter you made a trip to Central America, and I quote from exhibit 4, which is a PROF note from Colonel North to Colonel McFarlane: "And also not a good weekend. Went to Central America to try and reassure our friends, both governments and Resistance, that we would get funding through Congress."

Meaning by that, I assume, that you hoped to be able to get some military aid at a later time, and there was optimism as of that time that it could be coming.

Then you state: "In the 4 years I have been working this effort, it was the most depressing session to date. There is great despair that we may fail in this effort and the Resistance support account is darned near broke."

Then on the 22d, in exhibit 4, which as I understand it is to Mr. Fortier, you again in a PROF note state that, "The entire force is back to one meal per day and no more boots, uniforms, packs, ponchos, or weapons are available for the new recruits."

Mr. NORTH. Senator, I'm lost on your exhibit, if you would, sir.

Mr. HEFLIN. I believe this is exhibit 5.

Mr. NORTH. Right.

Mr. HEFLIN. My purpose is to show as of that time you not only stated that there was dire needs but wrote contemporaneous PROF notes to emphasize the great need.

You go on in this and say that, "All new trainees will be turned away effective today. All hospitalization for WIAs"—which, I understand, is wounded in action—"will cease at the end of the week. Troops returning to Nicaragua this week will carry only 70 to 100 rounds of ammo instead of the 500 they have been carrying. No new radio batteries are available so there is no way to pass commands or intelligence. The picture is, in short, very dismal unless a new source of bridge funding can be identified."

And then in another exhibit, exhibit 8, which has already been mentioned, which is a memorandum that you helped prepare along with Mr. Burghart—it went Admiral Poindexter and then was to be used for meeting with the National Security Planning Group—you state there in the beginning, "The Resistance itself is increasingly desperate as available supplies are depleted. As of May 1 no further medical supplies or clothing are available. By mid-June the outside support the Resistance has received will be consumed and no further significant support appears readily available."

Now, in that memo, it was for the purpose of bringing to the National Security Planning Group various options, including the options of trying to convince Congress that you might take 15 million from the appropriations to DOD and give it to the CIA for humanitarian assistance to the Resistance group, and on page 2 it states that: "An immediate reprogramming of $15 million from DOD to CIA for humanitarian assistance to the DRF. These funds would reduce our subsequent request from $100 million to $85 million. This action would require approval in the House-Senate Intelligence Committee, Armed Services Committees, and Defense Appropriations Subcommittees. We can make a good case that this humanitarian assistance."

—and then in parentheses—"($5 million per month through August 1986) is essential to maintain the option of DRF pressure," and so on.

Now, reading all of that, and at the time and your statement, is it fair and accurate to state that after the humanitarian aid of $27 million ran out, that the Contras were in dire circumstances as to the need for food, clothing, medical supplies, arms, ammunitions, and all other necessities to carry on a Resistance movement?

Mr. NORTH. That is—the facts in there are those facts that as I knew them, as supported by intelligence that we were receiving, and as reviewed by my colleagues.

Mr. HEFLIN. Now did Mr. Elliott Abrams go with you on this trip that you mentioned in exhibit 4 to Central America in mid-April 1986?

Mr. NORTH. I don't recall, sir.

Mr. HEFLIN. You don't recall. Well, anyway, Mr. Abrams testified about the Contra needs at this time for bridge money until the $100 million in military and humanitarian aid could be authorized.

And he mentioned that it would take something like $3 million a month.

Now, you mentioned in this exhibit 8 that I have just read that $5 million a month—well, do you agree that from $3 to $5 million a month was needed for humanitarian assistance? And we can, I suppose—and military—during this period of time, from the time that the humanitarian aid terminated in March 30 until the $100 million was appropriated and was available?

Mr. NORTH. Yes. And furthermore, the war had been prosecuted at the rate of about $1.25 to $1.5 million a month in the intervening years. The fact is that for the Resistance to continue to accept the new recruits that were volunteering—and these were people who were not enticed in any way except to know there was a place where they could go to take up arms against the Communists in Managua—these people were walking into the base camps by the dozens and otherwise would have to be turned away.

And so the estimate was you would need between $3 and $5 million a month to allow the Resistance to continue to grow at its natural rate, to train them, field them, equip them, and send them back into combat.

Mr. HEFLIN. How much would it take to keep them as they were, at the status quo?

Mr. NORTH. I guess you could live with about one to one and a half million a month.

The fact is, Senator, I think it's important that the Government of the United States, when it finally came back and provided the kind of support that we had been talking about, put up $100 million for a year's worth of help.

Mr. HEFLIN. Alright sir, well, that's true, and that was on October 16, 1986, when it was approved, and I would assume that military and humanitarian aid after that, after that was signed by the President, became available shortly thereafter, something like November 1.

Mr. NORTH. But, Senator, something else that's important. And I believe you have testimony separately, is that even though that was signed into law in November, it was after I had left the NSC and in January before the first supplies actually arrived on scene.

Mr. HEFLIN. All right, sir.

Well, then, I'm trying to get the period of time that we were looking at. If it was at that time, it would have been from about April 1 until after you left in November, which would have been close to 8 months that you really had a situation that they were in the dire consequences, and there was a great need for some type of financial assistance to help them in their movement.

Mr. NORTH. Yes. With the completion of the expenditures of the principal overseas backers, which was well running out by this point in time, was a serious concern.

Mr. HEFLIN. If they needed then, say, $5 million times 8 months, that is $40 million, or $3 million times 8 months, $24 million or say we get down to $1 million they would have been in need. The basic thing of at least $8 million during that period of time.

Mr. NORTH. That is right.

Mr. HEFLIN. All right. So, now——

Mr. NORTH. Senator, there is just—and I am not trying to interrupt your train of thought here, but it is also important to know shortly after I wrote this memorandum on May 16, both Houses voted to approve the $100 million, and I believe it was both during June and maybe July, but by the end—certainly mid-July, both Houses had indeed voted to approve the $100 million, and yet, we were still desperate to get those bills conferenced and sent to the President for his signature.

Mr. HEFLIN. All right.

So, now, on May the 16th, 1986, which is exhibit 10, I believe, of your exhibits, you make a note on the second page that you should be—this is a PROF note from you to, I believe, Admiral Poindexter, "You should be made aware that the Resistance support organization now has more than $6 million available for immediate disbursement and some other things there.

Now, at that time, when you made that, on May 16——

Mr. NORTH. I am lost on the note here, sir.

Mr. HEFLIN. Well, it is on the second page in a paragraph—down, I reckon it is really the——

Mr. NORTH. I got it.

Mr. HEFLIN. "You should be made aware that the Resistance support organization now has more than $6 million available for immediate disbursement".

Now, did you—where—is that $6 million, in your judgment, at the time you made that, was that to come from the Hakim-Secord enterprises, Lake or where?

Mr. NORTH. I believe, and I am trying to recall without a whole lot to remind me here, but I believe that this would reflect the transaction that came to be known as the HAWK parts shipment, in which there was moneys placed in what has come to be called the Lake Resources account, and therefore available at that point in time.

Now, as I have also testified, I was accused frequently by General Secord, and I did not talk to Mr. Hakim about these issues, but I certainly did talk to General Secord of being overly ambitious in my prognostications as to how much was available for certain activities.

But I believe that the reason that I put this in this particular note is I had just been informed that the deposit had been made.

Mr. HEFLIN. Well, according to the financial records of the Secord-Hakim various groups and organizations, that is true, that just about that time was when that deposit—as of that date, there was something like over an $11 million balance in it.

But you do—that was to come from the Hakim-Secord group, that money of $6 million, that is what I am——

Mr. NORTH. I see what you are saying. Yes, my sense is, if I can recall the timeframe right, is that $6 million would have been derived as part of the Ayatollah's money that had been placed in the account to pay for the parts that we were due to ship in May.

This is just prior to the trip to Tehran by Mr. McFarlane.

Mr. HEFLIN. Well, now, we have run from that—well, from April on—'til after you leave, of the records of the Hakim-Secord companies, their records, auditors there have gone through from that period forward. And we can find no expenditure for humanitarian aid whatsoever coming from the Hakim-Secord group.

There was $632,000 for arms, and the rest of their expenditures, and they expended something like $3 million, $3.5 million, I reckon, altogether—are in relationship with transportation-related expenses.

In other words, there was no humanitarian aid, no military aid for arms or ammunition from the 1st of April on, and that their expenditures were in connection with aircraft transportation-related expenditures.

Now, during this same—I will ask you this: Did you—were you led to believe that they were supplying humanitarian and military aid in addition to transportation-related aid to the Contra movement at that time?

Mr. NORTH. I am not quite sure I understand the question. I understood, and I believe it to be accurate, that not only was Lake Resources but the other offshore accounts, the ones that have been identified as Mr. Miller's, were indeed sending moneys, that General Secord's organization was providing boots, clothing, uniform items, packs, parachutes, and the aircraft support to deliver that. And that they were also flying ammunition and the military supplies necessary to support them.

Mr. HEFLIN. Well, at the same time, the auditors review of the accounts of the Calero accounts, from April until the period that you left the government, would reflect that he received very little money, and very little American influence-donated money, in particular after July of 1985. I believe there was a meeting in Miami about that time, but that the records of the Calero accounts from April 1 to after you left would reflect that the donations that he received during this time would have amounted to approximately $1 million, including the donations from Channell and Miller and their companies.

Now, according to those accounts, it would have indicated that from Hakim and Secord, for humanitarian and military ammunition, that there would have been a total during this period of around $1.632 million. There was 632 that was paid for arms.

Now, granted that they could have made money on exchange rates and they could have had some credit for buying arms on credit or some humanitarian aid needs on credit, but it would appear that during this time that from either Calero, Hakim and Secord, Miller and Channell, that there was inadequate money for the Contras to have existed on.

Now that gets down to this: Do you know whether or not there could have been another source of money which could have been used to support the Contras from April 1 until the time that you left the government?

Mr. NORTH. There are none that I know of positively, Senator. We did have reports of other countries having been approached directly by the Resistance leadership and other foreign donors, as well as perhaps other Americans who donated directly and simply gave it to Mr. Calero or one of the other Resistance leaders or made deposits directly to their accounts.

But again, I am not familiar with the facts on that, but we certainly had some indication that they were receiving other resources. Some of those reports caused us to look very carefully into the possibility of drug running.

We found absolutely no evidence during my tenure at the NSC that any of the Resistance leaders were themselves or their subordinates involved in drug running. The only one case that we actually had some information on, I reported in the executive session as to who those people were, and that was not in any of the main Resistance organizations.

Mr. HEFLIN. I see my time is up.

Chairman INOUYE. Thank you very much.

The hearing will take a short recess of 10 minutes.

[Brief recess.]

Chairman INOUYE. The hearing will please come to order.

Chairman Hamilton?

Chairman HAMILTON. Mr. Rodino.

Mr. RODINO. Thank you very much, Mr. Chairman.

Good afternoon, Colonel North.

Mr. NORTH. Good afternoon, sir.

Mr. RODINO. Colonel North, I have some questions that are pertinent to this inquiry, and I believe they are important for us to have responses to, if you can respond, if you do have recollection, or if you do know.

When you met with the Attorney General and Deputy Attorney General Jensen on January 6, 1986, regarding the January 1986 Finding, to your knowledge, was this the first time the Attorney General knew of the Iranian initiative?

Mr. NORTH. To my specific knowledge, yes. I had, as I believe I testified earlier, Mr. Rodino, we had worked on an earlier version of the Finding, which I believe was transmitted to the White House by Director Casey at the end of November, somewhere around the 25th or 26th of November, 1985. I had worked with Mr. Sporkin of the Office of General Counsel at the CIA on it, and it was my understanding—perhaps faulty—that it was in the process of working on that Finding that the Attorney General had come across or found or made note of an earlier determination by then Attorney General French Smith to the effect that arms sales can be conducted in accord with a Presidential Finding, and further that the retroactive or ratification language that was included in the November Finding had been run by the Attorney General, and since, in my experience, other Findings were cleared by the Attorney General's office, this one had been, too.

And thus, when the Finding was signed by the President, that Finding had been, by my reckoning, at that point in time cleared by the Attorney General. I do not recall specifically addressing that prior Finding with the Attorney General and Mr. Jensen when I met with them in January. My principal focus in the January Finding was to include within it the language of the broader objectives as I have earlier testified.

Mr. RODINO. How did that meeting come about, that January 6 meeting?

Mr. NORTH. My recollection, Mr. Rodino, is that it derived from an earlier meeting in December at which I was led to believe all of the cabinet officers were—I think it was around December 6th or 7th. I was in Europe, or at least had gone to Europe to meet with the Israelis and the Iranian intermediary, Ghorbanifar. I believe there was a meeting held either in the Oval Office or in the resi-

dence with the President, and I was led to believe the Attorney General was at that, at which there was a full review of what had transpired up to that point.

Coming back from the rather unsuccessful trip with—at which Mr. McFarlane met with Mr. Ghorbanifar, the next thing that really transpired was Mr. Nir showing up on the scene with an emphatic proposal that this should continue, that the initiative was worth the risk, and the new Finding, if you will, the January 6th and then—maybe it was the 7th, but anyway, there was a version of the 6th or 7th that was then handwritten in a—words that had been left out of it.

The President then signed another version of it, I think, on the 16th or the 17th. It is my recollection I personally carried that over to coordinate with the Attorney General. Because that was our standard practice, to have the Attorney General look at the Findings and make sure that they were within the law.

My recollection is that I hand carried it to meet with both—to meet principally with the Attorney General, and as I recall, Mr. Jensen was present at that meeting.

Mr. RODINO. Did you brief the Attorney General on the initiative?

Mr. NORTH. Well—yes. My recollection is that I covered with him—and again, it is not a very specific recall, I probably had the Finding itself and probably my draft cover memorandum which I would have prepared for Admiral Poindexter's signature and transmission to the President. But I don't recall that specifically, but that would have been the normal practice, sir.

Mr. RODINO. And when the Attorney General read the January Finding, was he surprised to learn of the Iranian initiative?

Mr. NORTH. I do not recall any expression of surprise, no.

Mr. RODINO. The reason I asked that question, Colonel, is because we know it was the stated Presidential policy at that time to the contrary, and that's been stated, I think in December of 1985.

Mr. NORTH. I understand that, sir, but my recollection is that I was at least told that the Attorney General had been part of the larger Cabinet group that met with the President back in December.

Mr. RODINO. The Attorney General himself didn't ask any questions or make any comments regarding it?

Mr. NORTH. I'm sure there were questions asked, but I—again I do not recall the essence of the conversation.

Mr. RODINO. Did Lowell Jensen ask any questions or make any comments?

Mr. NORTH. Again, I'm sure that he did, which was normal under those circumstances to have queries made about it, but I do not recall the substance of the conversations, sir.

Mr. RODINO. Colonel North, you've testified here that you had no recollection of meeting with the Attorney General on Friday, November 21st, 1986, just after he met with the President and just before he began his weekend inquiry.

Now, Robert Earl, who was on your staff at the NSC, has testified—and we have a deposition, and if you want to, we will refer you to the pages of that deposition—on pages 63 and 66, he said that you spoke with him, Earl, in your office after meeting that

day with the Attorney General, and I want to read you what Colonel Earl's testimony to the committee on this point is.

Mr. NORTH. Could we look at that, sir, the exhibit?

Would you refer the dates again, sir?

Mr. RODINO. The date was concerning a meeting with the Attorney General on Friday, November 21st, just after he met with President and just before he began his weekend. Robert Earl is supposed to have made this statement concerning you and what had been said after a meeting of that day with the Attorney General.

And as you will note, Colonel—Colonel North. Colonel Earl testifies that you told him that you met with the Attorney General on November 21st; and according to Colonel Earl, at that meeting you asked Mr. Meese if you had 24 or 48 hours, and the Attorney General responded that he did not know whether you could have that much time.

It was later that day that you altered and shredded documents.

Does that refresh your recollection, that deposition with Colonel Earl's testimony?

Mr. SULLIVAN. Excuse me, Congressman, if I might. You said that we were being given pages 63 and 66. We have only pages 65 and 66.

Moreover, it appears that we need the earlier pages in order to understand the context here. Obviously, for example, the very first question on the pages you have just gave indicate that there were earlier related questions.

Mr. RODINO. The pertinent testimony occurs on page 65, which you have, in which it is stated that he mentioned that he had asked—"He had said to the Attorney General or asked the Attorney General, Can I have, or will I have 24 or 48 hours? He didn't say both. He said one or the other. I can't recall whether he said 24 or 48, but he asked for that. And he told me that the Attorney General had said something like—like that he didn't know whether he could have that much time, something like that. Again, I am not quoting.

That's his deposition. You have that page.

Mr. NORTH. I do have the page, and I believe I testified about this earlier.

I do not specifically recall a meeting with the Attorney General on the 21st. I do recall discussions with the Attorney General's office and maybe the Attorney General himself on the issue of an investigation that was ongoing regarding Southern Air Transport, and our concerns that pursuing that investigation was going to create a liability for a potential hostage release.

I indicated to the Attorney General that Southern Air Transport was being investigated by I think it was the FBI and perhaps Customs and maybe even others regarding its support for the Nicaraguan Resistance, and as a consequence of the Hasenfus aircraft shootdown, and they were also engaged, as we all now know, in support for the Iranian initiative. And our concern was that further exposures on the Iranian initiative would jeopardize both the hostages and the second channel, and we—right up until the end—were hopeful of another hostage release.

I don't recall specifically what that conversation refers to.

Mr. RODINO. You don't recall——

Mr. NORTH. But I do remember asking for more time from the Attorney General before turning the Justice Department or FBI or whatever investigations were ongoing with regards to Southern Air Transport back on again.

Mr. RODINO. What I am trying to get at, Colonel, is to be able to determine whether or not what Colonel Earl told us at that time that you were requesting is, 24 or 48 hours, is a fact or whether it is not a fact. And he told that to us, to this committee.

Mr. SULLIVAN. I direct your attention to page 66 where he says he's not positive about it, sir.

Mr. RODINO. Well, he may not be positive about it, but he did say that that's what he recalled.

Mr. NORTH. I can assure the Congressman of this, that if this discussion, which Colonel Earl refers to, and I, you know, took place, I'm certainly not saying that it did not. That it is probably referring to Southern Air Transport, and it is certainly not referring to, do I have more time to shred documents, because I—I'm not—I want to answer that very clearly.

I never addressed to the Attorney General or anyone else whether or not I had enough time to shred——

Mr. RODINO. In other words, you did not ask for 24 or 48 hours more?

Mr. NORTH. For me, no, sir. For Southern Air Transport, I certainly asked for more time.

Mr. RODINO. Let's move on to something else, Colonel.

We have heard testimony that during the interview with the Attorney General on November 23d, 1986, after you were confronted with a copy of the diversion memo, you asked if they found a cover memo; do you recall that?

Mr. NORTH. I recall that that has been raised several times here in this.

Mr. RODINO. Was there a cover memo, Colonel?

Mr. NORTH. I honestly don't recall, Congressman Rodino. It was not uncommon for me to put cover memoranda on my memos. You have certainly seen many of those in which I did.

There were also occasions when I did not, and it was not a question asked in subterfuge of the Attorney General. It was simply a straightforward, bald question by a person who was surprised that the document still existed. And I don't mean that lighthearted. I mean very seriously, it was an honest, straightforward question. I just did not remember.

Mr. RODINO. Well, the reason that I asked, Colonel, is that reference is made to the fact that you did refer to a cover memo, and I wondered why you would refer to it if such a cover memo did not exist.

Mr. NORTH. Well again, I was inquiring as was there a cover memo with this document. They had found a document that I truly did not believe existed any more, and they had put it before me in that Q and A session that they had and I asked the question, was there a cover memo with this? Because obviously it is an incomplete memorandum.

Mr. RODINO. Well let me ask this, Colonel. Since you have been very honest and truthful with the committee in telling us that you shredded a number of documents, did you shred any cover memo,

any of the five documents that have been referred to and testified to?

Mr. NORTH. I do not recall specifically shredding that cover memo or any other. I shredded many, many memoranda in that period of time from early October through the time of my departure.

Mr. RODINO. Colonel North, Mr. McFarlane has testified that on November 23, 1986, on Sunday morning before your interview with Attorney General Meese, you told Mr. McFarlane that there was a memo describing the diversion that may cause a problem. Is that a fact?

Mr. NORTH. I don't recall that part of the conversation. What I do recall assuring him, as I had assured others, to include Admiral Poindexter, that the documents pertaining to the use of residuals to support the Nicaraguan Resistance had been taken care of. I assured him of that fact and I assured Admiral Poindexter and in both cases I was wrong.

Mr. RODINO. Did anyone tell you on Saturday afternoon, Saturday night, or Sunday morning, or at any time before your interview with Mr. Meese, that the diversion memo had been found by attorneys from the Justice Department?

Mr. NORTH. No, sir, they did not. In fact they didn't tell me until well into the interview with Mr. Meese.

Mr. RODINO. Colonel, you have phone logs which indicate that on November 24, 1986 at 11:15 you spoke to Brad Reynolds, the Assistant Attorney General for 15 minutes. Could you tell us if you recall what he did say? And I refer you to your own phone log which describes that you had a conversation of 15 minutes at 11:45.

Mr. NORTH. Could I see that? That may help refresh my memory, sir.

Mr. RODINO. I would just like to know, Colonel, if you recall from the fact that your phone logs state 15 minutes that you recall just what your conversation might have been, what he said to you?

Mr. NORTH. I do not recall a conversation with Mr. Reynolds at any time after I left the Attorney General's office on the day before the 23d. I think first of all that is as I recognize it my secretary's writing, and what my sense of looking at what's on this piece of paper, this means is that Tom Green is the one who called, that he had talked to Brad Reynolds, that perhaps the call came in at 11:45 and perhaps he was seeing or talked to Reynolds for 15 minutes.

I have no recall of the conversation with Mr. Reynolds after Sunday the 23d, sir.

Mr. RODINO. In other words, though that log has Brad Reynolds, you did not talk with Brad Reynolds?

Mr. NORTH. No, sir. I'm not denying that I talked to him. I probably talked to a lot of people that day. My point is, sir, my recollection is I did not talk to Mr. Reynolds, but I did talk at some length with Mr. Green, and I note that Mr. Green's name is above that and he was at that point in time my counsel.

Mr. RODINO. Let's ask you whether or not the Attorney General ever suggested that you get an attorney. And if he did, when and why?

Mr. NORTH. I do not recall the Attorney General suggesting that. I do recall Director Casey suggesting that several times. And my

sense of the first time he recommended that was shortly after the Hasenfus airplane went down and he talked to Mr. Furmark, and he specifically told me at that point in time it was very much likely to be a civil suit and I would be named in it, and he suggested at that point in time that I get counsel.

There was also a suggestion at some point later on that same month that there might be an inquiry by the Attorney General's office. I believe that's reflected in my testimony earlier that there had been a request for an independent counsel but that had been turned down by the Attorney General's office, and that independent counsel action pertained to my role in supporting the Nicaraguan Resistance.

Mr. RODINO. You do know, Colonel North, that Richard Miller, Michael Ledeen and Robert McFarlane all testified that you told them that you had been advised to get an attorney.

Mr. NORTH. Yes, sir. As I just testified, and as I testified earlier, Director Casey suggested that to me in early October, and then several times thereafter. But my understanding of why he was recommending I seek counsel pertained to——

Mr. RODINO. But I'm asking, did the Attorney General advise you?

Mr. NORTH. I do not—sir, the Attorney General to my recollection never once recommended that I seek legal advice. Ever.

Mr. RODINO. Did you tell anyone from the Department of Justice from November 21 to November 24 that is Friday through Monday, that you had consulted with an attorney?

Mr. NORTH. I don't recall telling anyone in the Department of Justice that, although Mr. Green did tell me that he was going to talk to some people at the Department of Justice. It may have been Mr. Reynolds that he was going to talk to. Our effort at that time was to ensure that the hostages and the second channel could indeed have time to get out, and that indeed may be what Colonel Earl is referring to in the conversation.

It may have been the Southern Air Transport, it may have been the hostages and the second channel. Because we were taking up every effort to ensure that those people who needed to get out of Iran could, and that the hostages, if we were going to get any more out, could indeed be rescued.

Mr. RODINO. Colonel North, when Admiral Poindexter told you that the President did not know, that was a result of your having asked him whether or not the President knew?

Mr. NORTH. Yes, sir. My recall on that is that on the 21st the Attorney General had told him, I mean this is the way it was conveyed to me, that he was going to conduct a factfinding inquiry into the activities that had occurred in 1985. Specifically the August, September, and then November transfers of Israeli equipment to Iran. And that as a consequence of that during our discussion of that inquiry in which the admiral told me to lay out everything, I told him that I had destroyed the references to the use of residuals to support the Nicaraguan Resistance, and I specifically asked him, as I remember it, "By the way, does the President know about this?" Since it's my recollection that he had said that the President had asked the Attorney General to look into this. And he at that point said, no, the President does not know about it.

Mr. RODINO. Did Admiral Poindexter tell you that he had talked with the President and learned that he didn't know?

Mr. NORTH. No. As I remember, it was a very brief conversation, and I think basically just the way I described it to you as I remember.

Mr. RODINO. Did you ask him whether or not the five memos which you had sent forward requesting that the President be advised had been sent forward for the President's knowledge?

Mr. NORTH. No, because I had—what precipitated this conversation was my assurance to him that those memoranda no longer existed.

Mr. RODINO. Was this a surprise to you?

Mr. NORTH. I think so, yes. But by that point in time I was, one, exhausted, and, number two, I suppose nothing much surprises you after that point.

Mr. RODINO. Did this, Colonel North, at this point then send a flash through your mind that now you were the fall guy, that this was what was being said to you?

Mr. NORTH. No, not at all. Because in that same conversation I told the Admiral again that I thought I ought to go right away, that I ought to leave now in an effort to diffuse this thing. Director Casey had by that point suggested to me that it was probably going to take someone above my pay grade as he put it or above my level at the NSC or within the administration to take this on the nose as it were. And I thought that we at least ought to make an effort to diffuse it at the lowest level possible before it worked its way up.

I don't believe I related to the admiral what Director Casey had told me about him.

Mr. RODINO. Colonel, moving on——

Mr. SULLIVAN. Excuse me, Congressman, I don't mean to be offensive but I noted you started at 3:45 and the red light is on. It's been 25 minutes. Unless we adhere to the time we will never get out of it.

Chairman INOUYE. As I indicated to you in our telephonic conversation there are certain members here who have received special allotment from others who are not present.

Mr. SULLIVAN. That would be perfectly all right, Mr. Chairman. Perhaps you could tell us——

Chairman INOUYE. That explains—so that's why we have this extra time.

Mr. SULLIVAN. How much time is the Congressman designated?

Chairman INOUYE. Proceed.

Mr. SULLIVAN. Excuse me, sir. You told me that some people were going to get an extra 5 minutes, and I perfectly well understand that. Can you please inform us——

Chairman INOUYE. The determination of time I'm certain you will agree is up to me as Chair, and I have tried to be very fair.

Mr. SULLIVAN. It is, sir, but the red light is on. I took that as a clue the time is finished. We are not going to get out of here unless we adhere to some regulations about time, and I respectfully request that we try to limit the amount of time.

Chairman INOUYE. Senator Boren.

Mr. BOREN. Thank you very much, Mr. Chairman.

Colonel North, as I've sat here day by day, I have had a question in my own mind that I'm sure has run through your own mind over the last several days, and that is, will anything good come from these hearings?

The reason I've asked myself that question is the same reason you've raised some questions about it. If we end up after all these hearings with the country more divided than ever, more fragmented in terms of what this country ought to be doing, more polarized, we end up having simply diverted time and attention away from serious economic problems, and being from a state like Oklahoma, I understand the economic challenges that we are facing. We end up with a lot of pain for a lot of families and a lot of people around this town. And we haven't learned anything from it in terms of something that will benefit the country in the future, then I think we all have to say that it hasn't served a useful purpose. So I think we all have a real determination here. I'm sure it is a determination you feel, having gone through this painful process. That we try to learn some lessons from all of this, that will help the country in the future. So we won't have these kinds of confrontations again in future years, we won't have concerns about the rest of the world watching us have this kind of confrontation, concern about allied countries having sensitive information being divulged about them, so we won't go down this same path again.

So every day I try to ask myself, have we learned something that we can apply to help this country in the future. I'm sure you hope that through these proceedings, the American people have learned about the situation in Central America.

As a supporter of the Contras, I hope that they have learned also about the strategic importance of that region and why we cannot afford to create a power vacuum in that region that will be filled by Communist forces and those hostile to our country.

And I—I would have hoped we also would have learned a broader lesson. I had to ask myself, how is it that a person like Colonel North has ended up sitting before this congressional committee with this kind of inquiry being watched by the world, because you projected yourself as a person that cares about this country, has deep love for this country. You have convinced me of that. You have clearly convinced the American people of that. I'm not surprised by that. I heard about you before from people, for example, when you came to defend a young Oklahoma Marine who had been falsely accused of wrongdoing during the Vietnamese conflict. So don't think people that know your record are surprised about that affection that you have for this country.

So I had to ask, how has it come to this? And I have to believe that your appearance in these proceedings are really a reflection of something that has gone wrong in this country over the past two decades perhaps, and that is, we lost sight of something that we always used to believe in this country and it was called a bipartisan approach to foreign policy.

We had an old saying, "We might fight among ourselves about domestic politics, but politics stopped at the water's edge." When we spoke to the rest of the world, we spoke with a united voice. And the congressional leaders and the Presidents would get together and work toward that end.

I guess the greatest example we have had in modern times was the kind of cooperation that we had between President Eisenhower, a Republican President, and Sam Rayburn, the Democratic Speaker of the House, and they worked together not because there were some rules or regulations that required it but because they each understood the importance of it.

We don't have a Cabinet form of government here or a parliamentary system. In a parliamentary system, there is no division of powers. The Executive Branch and the legislative branch are really melded together. The members of the cabinet are also members of parliament. So you don't have this split that can develop in the kind of system that we have under our Constitution where you have the President and he is Commander in Chief—you also have the Congress and they are empowered to declare war, and they are empowered to appropriate the funds that are necessary for the carrying out of foreign policy.

And I'm convinced that Mr. Rayburn and President Eisenhower worked so well together because they both understood that. They understood the history of our government. They understood our form of government. They knew that where the powers were divided, if you are going to have a united front to the rest of the world, you had to work harder than ever. You had to make a special effort to get together and to speak together with one voice.

And when people talk to me, my constituents talk to me, they say, you know, we don't understand. Aren't you all working for the same people? Aren't the people in the White House and the people in the Congress all trying to work for the American people? When are you people going to stop being Democrats and Republicans or Members of Congress and members of the Executive Branch and get together and work together as Americans for the same country. Then we'll have continuity in foreign policy. We won't have a stop-and-start policy, and we're going to have to do that. The President can start a policy, but he can't continue a policy, not unless the Congress is going to support it and appropriate money.

So, if we are going to speak with one voice, it seems to me critically important that we get back to that old-fashioned concept of bipartisan foreign policy, because each has a role to play.

And Eisenhower and Rayburn, when they met together, they met each other halfway. It takes two. The President has to understand the role of Congress, he has to be willing to meet Congress halfway. The Congress has to understand the role of the President, you have to realize you can't have 535 commanders in chief, but you have to have continuity of policy.

So, I think that the fact that you are here, that we are in these circumstances, that we are having to have these kinds of hearings is a reflection basically of the breakdown of that concept of partnership, constructive partnership, all of us working together as Americans to try to serve this country, partnership between and Democrats, Republicans, the Executive Branch, and the legislative branch.

It is going to take both. It doesn't mean the President always gets his way. It doesn't mean the Congress always gets its way. It means they were going to have a meeting in the middle. Then

come out as Eisenhower and Rayburn did and announce an American policy to the rest of the world.

We are trying to do that, and I want to report that to you and the Intelligence Committees. I happen to believe very strongly that we have to have covert operations sometimes.

We have to be able to operate in secret. We have to be able to keep those secrets. And I think you have expressed appropriate concern as a witness that those secrets must be kept.

We have instituted new procedures in the Intelligence Committee to make sure those secrets are kept. We lock up the documents, we don't let them out of the room. We don't let even members take their notes out anymore.

Senator Cohen and I have gone to the leadership in the Senate, both Republican and Democrat, and received a commitment if a single member of our committee leaks classified information, their resignation as a member of that committee will be demanded.

And of course, there are procedures in place for the President under current law, if the President does not want to tell the entire Intelligence Committees of both the House and Senate. As you know, the President can notify only eight people: the Speaker of the House, the Majority Leader of the Senate, the Minority Leaders of both Houses, and the chairman and Vice Chairman of the two committees.

And we are working very, very hard to reestablish the kind of mutual trust that is going to be necessary for us to be able to start policies and sustain policies and speak to the rest of the world with a unified voice.

So, I want to make it clear that I don't disagree with you that we have to have covert actions. Secret actions, secrecy must be maintained, but we must also have accountability. We need to have accountability to make that sure the money is spent appropriately, as was intended.

In this case, you have said, you as one person, you couldn't possibly keep up with all the funds for example in this operation. If we had been able to do this through regular channels, through the CIA, with the proper accountability, we would know where all the money is, and how it was spent. We have to have accountability also to make sure the President signed off on it, that the objectives are being properly carried out.

And so, we are working very, very hard. We have been in conversations with Mr. Carlucci and others at the White House between the Intelligence Committees in the last several days to try to come up with a positive new approach.

So, we have to have covert actions, but we have to have accountability. And we also have to have a sharing of information between at least the leaders of the Congress and the White House if we are going to rebuild this bipartisan unified approach.

I would just like to ask you, as we consider how we conduct foreign policy, especially covert operations that have to be kept secret, how do we do that while preserving the democratic values and institutions that we hold so dear? And do you think we are on the right track in the way we are trying to develop this relationship of absolute candor and absolute trust between the Executive Branch and the Intelligence Committees of both the House and the Senate?

Mr. NORTH. Well, as you have described them, Senator Boren, I agree with the noble objectives. I think I have testified thereto during my 5½ days here before you. I continue to be concerned at the size of the committees. I think that the larger the group of people involved, the larger the staffs, the more likely it is we will end up with a compromise and that certainly, while the provisions of the law allow only the big eight to be notified, it would be, by my opinion, appropriate that—we have got experience in working with the Congress and the Executive Branch of a joint committee, and you know the one I am referring to, a very small, a very professional staff, and a small committee that worked very closely with the administration on carrying out policy on nuclear matters.

And my sense is that that is an idea whose time has come. There is no doubt that we can do it better, and there is no doubt that there must be the ability to confer and to obtain the moneys that are necessary to conduct these activities.

Mr. BOREN. Well, I agree largely with what you have said. I am not sure I agree with a joint committee for this reason. That's because of the appropriations process and other responsibilities. My fear is that the committee might not have sufficient influence with the committees of the two Houses to keep other committees in both Houses from again invading the jurisdiction, and that we might end up inadvertently with more committees, several committees again asserting jurisdiction.

But I think the important thing is that we are compartmentalizing our staffs so that not even all members of the staff know about these various operations. They only have knowledge of one or two operations on a need-to-know basis.

I think the important thing, though, is if we are going to have this bipartisan approach and this partnership in the future, wouldn't you agree we have to concentrate on this method of consultation and the rebuilding of mutual trust between the two branches?

Mr. NORTH. I couldn't agree more, Senator.

Mr. BOREN. Now, one other item has disturbed me as I've listened, and this perhaps grows out of my experience as a former governor.

Occasionally people would call me on the phone when I was governor and they'd say, Governor, we are getting ready to do something because we were told you wanted it done; I just wanted to clear it with you because it didn't sound quite right, or we wanted to make sure. And sometimes those things that were getting ready to be done by someone in the bureaucracy were not things I wanted done at all. Somebody had simply come to those people and said the governor wants this done. I didn't even know about it.

Now, as I have listened to you, and you have indicated that the President told you on the phone he did not know about the diversion. And you have said—and I believe you—that you sincerely believed that this was an approved policy to use the residuals, that the President had approved this policy. Now, if those indeed are the facts, do you have any suggestions for us as to what we could do, because I think this is an area we need to think about?

We have talked frankly with the White House about making sure that in the future significant orders are put in writing so that

the people who have to carry them out will either hear it directly from the President, one on one, or they will be placed in writing so people out in the bureaucracy won't be able to go around saying the President wants this done and have people carry it out without the President knowing.

Here the President has been damaged by this situation, there is a political crisis that has developed over it.

How do we protect future presidents from having that situation develop where people might be going around carrying out things, thinking in all sincerity that the President wanted it done, when in fact the President might not have known?

Mr. NORTH. Well, I think while we may have agreed on the last point, we will agree to disagree on this one, because I think that those are clearly matters for the Executive to resolve within the Executive. And although certainly the National Security Council itself was created by the National Security Act of 1947, the National Security Council staff was not. It was an executive secretary appointed by that act and the staff has grown to meet the needs of various presidents and will continue to do so.

Mr. BOREN. I don't think we do disagree. I think we agree on whether the President's setting up his own standards about how to do that.

How would you do it?

Mr. NORTH. Certainly I will never be president and, as I indicated before, I'm not running for anything, I'm not running from anything, and I want to make that clear again.

But my sense is that if we require that the President reduce every word to writing, that every single authority ever sought by the President had to be reduced to some kind of official format, we would never have been able to succeed in things like *Achille Lauro* because the timing on that was so quick it could not have been done otherwise——

Mr. BOREN. I certainly agree with that. I think the President has to be able to turn to someone immediately and give an order. We don't want to tie his hands from being able to do that and have it carried out.

But on something like this that went on for a relatively long period of time, how could we change the procedures to make sure that an Oliver North, let us say, or someone else in the future who is carrying out a policy in good faith they he thinks is the policy of the President or the order of the President, can really know for sure that it is the policy of the President and the order of the President?

Mr. NORTH. Again I think it goes back to your original proposal, that there must be the kind of sense of trust that exists between the executive and the legislative that those things are indeed confirmed by appropriate agents of the executive to discuss those things with the Congress.

Mr. BOREN. The joint oversight process, both executive and legislative, then would make sure it was being carried out appropriately?

Mr. NORTH. I think so.

Mr. BOREN. Let me turn to the CIA briefly.

As you know, I have institutional responsibility there, and there are some questions that I would like to ask in that regard.

And I might say, Mr. Chairman, that Senator Trible has indicated to me that he would yield me 5 additional minutes of his reserve time to carry forward with this line of questioning.

I have had a theory, and I shared it with you briefly in executive session for some time, Mr. Casey, as an individual, was willing to get involved in things and take risks, but he had a great love for the Central Intelligence Agency. He was determined to make sure that that institution not involve itself in anything that might place it in jeopardy, and that he went to great lengths to try to insulate the CIA as an institution from doing anything that might be improper or questionable as far as the law was concerned.

In fact, Mr. Gates, in testifying before the Senate Intelligence Committee, indicated during our hearings that on October 9, 1986, he had lunch at the CIA with you and with Director Casey, so it was Mr. Gates, yourself, and Director Casey, and that at that lunch Mr. Gates asked you whether the CIA was involved in your private supply operation and private fundraising operation for the Contras during any period of time in which that was banned by law. And he indicated that you answered that the CIA was completely clean, speaking about it as an institution, and that you had worked very hard to keep it that way.

Mr. NORTH. That's correct, sir.

Mr. BOREN. Now was that on orders or direction from Director Casey that he wanted to keep the CIA as an institution totally insulated and apart from this operation?

Mr. NORTH. Yes, yes. There was no contact that I had with any CIA officer that Director Casey was unaware of.

Mr. BOREN. Did anyone at the CIA assist in obtaining money for the Contras from any third countries?

Mr. NORTH. Not to my knowledge, sir.

Mr. BOREN. Did any of the CIA officials ever send you names of countries or make any suggestions to you about countries to contact?

Mr. NORTH. Other than in the discussions with the Restricted Interagency Group chaired by the State Department afer the law was passed authorizing State Department contact—other than that, no, sir.

Mr. BOREN. Mr. George ever make any comments or was that after this time?

Mr. NORTH. As I indicated earlier, the Director of Operations and I had a number of discussions that dealt along the periphery of these things, and I have turned over to you my notes on those.

Mr. BOREN. Did you ever tell anyone in the CIA other than Director Casey about the residuals being the source of funding for any of the Contra operations?

Mr. NORTH. Not specifically or directly, no. But as I indicated in my earlier testimony, there are no doubt people who had suspicions relatively early on, even before Mr. Furmark's approach. That is as a consequence of the intelligence that we talked about the other night.

Mr. BOREN. But you did not explicitly inform any other individual at the CIA?

Mr. NORTH. I explicitly tried to deceive a number of people at the CIA as to the actual source of those. I do not recall specifically addressing those matters to anybody.

Mr. BOREN. So, my view that Director Casey intentionally set up Mr. Gates, for example, to be the deputy in charge of day-to-day operations of the agency, and to keep him more or less insulated from this other operation, you would say is an accurate description of the way Director Casey was trying to operate?

Mr. NORTH. I would.

Mr. BOREN. Now there was a period of time in which it would have been unlawful for the CIA to have provided intelligence directly to the Contras, and Rob Owen testified that you were giving intelligence information to the Contras during this period of time.

Mr. NORTH. I was.

Mr. BOREN. Where did that information come from?

Mr. NORTH. Both from the CIA and the Department of Defense.

Mr. BOREN. Now, did you tell anyone at the CIA? And of course, it would be perfectly lawful for the CIA to give you intelligence as a member of national security staff?

Mr. NORTH. That is why we did it that way.

Mr. BOREN. But if they had known that you were—if they gave it to you, knowing that you were simply going to hand it on to the Contras, then that would have been illegal during that period of time?

Mr. NORTH. Again, I am not trying to——

Mr. BOREN. Let me rephrase it. In fact, Mr. Casey, I believe—Colonel North if I could rephrase the question, maybe counsel's advice would not be relevant.

Mr. Casey, as I understand it, told you that he would—hoped you would do it that way, so that you would not put the agency in the position of having given it to you knowing that it was being sent——

Mr. NORTH. That is correct. But as I have indicated in my earlier testimony, I had numerous discussions with people at the CIA and the Department of Defense, particularly Admiral Moreau, which certainly could lead one to the conclusion that there were other people who were aware of what I was doing.

Mr. BOREN. Who were the people at the CIA that had conversations with you that were of a nature that would have given them knowledge that you were involved with the resupply, and that you were passing intelligence on to the Contras at that time?

If you could tell us by title rather than by name.

Mr. NORTH. Well, as I—again, those conversations are recorded in the notebooks that I provided to this committee.

Mr. BOREN. Was the Director of Operations, Deputy Director for Operations one?

Mr. NORTH. He and I had conversations that are recorded therein.

Mr. BOREN. Were there any—all of those that are recorded in the notebooks are the ones? That is the list as far as you know, in terms of those——

Mr. NORTH. As I indicated earlier, and in our discussion the other night in closed testimony, there were discussions with the Central American Task Force Chief.

Mr. BOREN. Chief?

Mr. NORTH. There were discussions with the Station Chief in—two Station Chiefs or their deputies in two different Central American countries.

Mr. BOREN. Did anyone at headquarters in regard to those conversations with the Chiefs of Mission, Chief of Mission for the CIA in two Central American countries, did anyone at headquarters authorize you to make those direct contacts thay you made with those individuals?

Mr. NORTH. Director Casey.

Mr. BOREN. But no one else?

Mr. NORTH. No, sir.

Mr. BOREN. No one else?

Thank you very much.

Chairman INOUYE. Thank you.

Chairman Brooks?

Mr. BROOKS. Thank you, Mr. Chairman.

Colonel North, I want to thank you for your testimony before these committees. As you know, I didn't vote to grant you immunity from prosecution because of the general principle. I think government officials should be fully accountable for their actions.

You have stated numerous times during the past few days that you didn't think you had broken any laws and you may not have. In any case, you felt so strongly, if you felt so strongly that you hadn't, I had a little difficulty understanding your reluctance to testify without immunity.

Mr. NORTH. It is very simple.

Mr. BROOKS. Nevertheless, you——

Mr. SULLIVAN. Excuse me.

Mr. BROOKS. Counsel, did you have an answer to a question? Nevertheless——

Mr. SULLIVAN. No, I was so shocked at your statement with regard to the fifth amendment that I interrupted before you were through. I want to apologize. You may——

Mr. BROOKS. That is a new first for you.

Mr. SULLIVAN. Well, I interrupt when I find things so appalling, Congressman.

Mr. BROOKS. Yes.

Mr. SULLIVAN. Do you know anything about the fifth amendment and its purpose?

Mr. BROOKS. I said, and I would say again, I had a little difficulty understanding why the colonel, if he thought he had broken no laws whatsoever, was reluctant, it seemed in discussions with the counsel for the committee, and with you, about immunity. I didn't vote for it. And if you don't like that, I am sorry. Not very sorry.

Mr. SULLIVAN. I don't care whether you voted for immunity. We prefer not to be up here at all.

Mr. BROOKS. Thank you.

Mr. SULLIVAN. But don't ask any questions about the fifth amendment.

Mr. BROOKS. Mr. Chairman, I have had quite enough listening to Mr. Sullivan. He is a distinguished criminal lawyer, but you know we didn't hire him as our lawyer, and I don't need him to advise me.

Chairman INOUYE. I believe this exchange has just convinced the chair, as I feared, that about this time we all get testy. And that being the case, not desiring to present to the people of the United States a distorted picture of what is happening here, I will recommend to my colleagues that after listening to the questioning by Senator Rudman, we recess until tomorrow morning.

Mr. SULLIVAN. Your Honor, may I say——

Mr. BROOKS. At any rate, Colonel, you did play a central role in the events that we are charged with investigating, and we are not here to prosecute anyone for accepting gratuities or diverting public funds, destroying government documents, lying to Congress, or any other conduct.

We are here to determine only what did happen and the serious impact these activities may have had on the conduct of American foreign policy and indeed on our national security.

I want to tell you that I believe your testimony has been quite revealing, and the most revealing thing to me has been that you confirmed that you were not not acting alone. And you put it, I believe, that you were not a lone wolf. And lieutenant colonels in the Marine Corps simply don't have that kind of authority. I was one.

You have testified very persuasively that you had lots of help, and I thought you did. The Defense Department helped, provided the missiles and the HAWK parts, modified the TOWs, to meet the specs.

The Department of Justice helped, provided DEA agents, held off the FBI. The Department of State helped. The ambassadors were used to facilitate the movement of weapons, construction of clandestine air strips.

And despite what Assistant Secretary Abrams said about not knowing nothing about nothing—he had to be authorized to tell the truth, you recall—it was very clear that you testified that he didn't have to ask. He already knew everything you were doing in Central America. The CIA helped. You testified, you talked to Director Casey several times a week; worked closely with him. The CIA bought the missiles from the DOD, sold them to Iran. The CIA operatives assisted in setting up and running the air supply into Nicaragua.

And, of course, you were not the only one at the National Security Council involved. You testified that everything you did, all of the machinations, the operations, the phone calls, the traveling, was supported by your superiors, Mr. McFarlane, Admiral Poindexter. Your secretary, Ms. Hall, even testified that your travel was authorized by someone higher than you. And you've testified repeatedly that you thought you even had the help of the President of the United States.

Now, Colonel North, you've added a great deal to our knowledge about the involvement of a large number of people in these events.

Most of these activities could have been carried out by these same people in the normal course of their duties. They would have had to comply with certain accountability provisions, like written Findings as provided by the President's own National Security Decision Directive 159. Reporting to the House and Senate Select Committees on Intelligence as required by the Intelligence Oversight Act; reporting to the Foreign Affairs Committee as required

by the Foreign Military Sales Act. And I guess they would have had to deposit the proceeds in the U.S. Treasury since those missiles were paid for with the taxpayers' money.

Now instead, this elaborate scheme to carry out these activities was worked out by the government within a government and it's a rather interesting variation of now you see it, now you don't. The U.S. government was acting as a party when needed and it was a private citizen when it came to reporting to Congress or counting the profits. And I believe, Colonel North, you testified that Director Casey really wanted a more or less off-the-shelf, independent, stand-alone, self-sustaining operation for covert activities; was that your understanding of what he requested?

Mr. NORTH. Yes.

Mr. BROOKS. Now according to the statute which created the National Security Council, and I want to read a part of it so people know what it said; it said, "The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and other departments and agencies of the government to cooperate more effectively in matters involving the national security."

That's what it is about. Now Colonel, the National Security Council was never intended to be an operating agency of the Federal Government, was it?

Mr. NORTH. An operating agency of the Federal Government?

Mr. BROOKS. Operating agency.

Mr. NORTH. It is the President's staff.

Mr. BROOKS. I don't follow you. As the President staff——

Mr. NORTH. The National Security Council staff is a staff of the President of the United States.

Mr. BROOKS. And it was authorized as—and the functions were authorized as I just read from the statute to advise the President?

Mr. NORTH. You have just read the provision for the National Security Council which consists of the President, the Vice President, the Secretaries of State and Defense with two statutory advisers, the Joint Chiefs of Staff, and the Director of Central Intelligence.

Mr. BROOKS. And you think the staff was not bound by the functions of the commission, of the Council?

Mr. NORTH. I don't believe it was.

Mr. BROOKS. Well, notwithstanding your insistence on that, someone must have been pretty nervous because there was a lot of altering and shredding and removal, destruction of official documents. Now Colonel, are you familiar with the Presidential Records Act of 1978?

Mr. NORTH. No, sir.

Mr. BROOKS. Well, I'll tell you then. That act was passed in an effort to prevent White House documents from being shredded or burned in fireplaces or removed from history in other creative ways as we had seen in the Watergate case a decade-and-a-half ago. And it provided that documents generated by the President and his staff are the property of the U.S. Government and are not to be disposed of unless certain requirements are met, and that law was intended to prevent the very thing that you did—with the support of Admiral Poindexter, I concede. But certainly the loss of the docu-

ments that you shredded has altered our understanding of our nation's history if not the course of history itself, and I would ask you would you retrieve those documents from the shredder today if you could?

Mr. NORTH. Congressman Brooks, I have testified to the facts as to what I have done. To those who told me to do what I did. To those with whom I was involved throughout. I have answered every question about those facts that I possibly could in the last 5½ days. I have now been told we are going to extend it further, and I don't think it's appropriate now nor is it any point in this for me to answer hypothetical questions about things that can never be.

Mr. BROOKS. Colonel North, in your work at the NSC, were you not assigned at one time to work on plans for the continuity of government in the event of a major disaster?

Mr. SULLIVAN. Mr. Chairman?

Chairman INOUYE. I believe that question touches upon a highly sensitive and classified area. So may I request that you not touch upon that, sir?

Mr. BROOKS. I was particularly concerned, Mr. Chairman, because I read in Miami papers and several others that there had been a plan developed by that same agency, a contingency plan in the event of emergency, that would suspend the American Constitution, and I was deeply concerned about it and wondered if that was an area in which he had worked. I believe that it was. I wanted to get his confirmation.

Chairman INOUYE. May I most respectfully request that that matter not be touched upon at this stage. If we wish to get into this, I am certain arrangements can be made for an executive session.

Mr. BROOKS. Well, we'll do that in another forum, I believe. This week——

Mr. SULLIVAN. I must say the inferences from that statement are ridiculous.

Mr. BROOKS. Mr. Chairman?

Chairman INOUYE. We will decide whether it's ridiculous or not.

Mr. BROOKS. That's right.

This week, Mr. Chairman, we are celebrating the not ridiculous bicentennial—of the Constitution with an historic session of the Congress in Philadelphia on Thursday. And I look forward to going down there. It should serve as an occasion to remind all of us that Article 1 of the Constitution provides for a bicameral U.S. Congress and gives it great powers to set the policies of this nation, domestic and foreign, including the decision of when to conduct wars.

President Reagan said on April 27 of 1983, in an address to the House and Senate, that the Congress shares both the power and the responsibility of our foreign policy. Then again on December 6 of 1986, in a radio address from Camp David on the Iran-Contra situation, President Reagan said—what he said was, "We live in a country that requires we operate within rules and laws, all of us. Just cause and deep concern and noble ends can never be reasons enough to justify improper actions or excessive means", from the President's statement of 1986.

That lofty principle appears to have gotten caught in somebody's shredder. Instead of operating within rules and law, we have been

supplying lethal weapons to terrorist nations, trading arms for hostages, involving the U.S. government in military activities in direct contravention of the law, diverting public funds into private pock- and secret unofficial activities, selling access to the President for thousands of dollars, dispensing cash and foreign money orders out of a White House safe, accepting gifts and falsifying papers to cover it up, altering and shredding national security documents, lying to the Congress.

Now I believe that the American people understand that democracy cannot survive that kind of abuse.

I yield back the balance of my time.

Chairman INOUYE. The Chair is pleased to recognize the Vice Chairman of the Senate Select Committee, Senator Rudman.

Mr. RUDMAN. Mr. Chairman, thank you very much.

Mr. Chairman, although I understand the chairman's comment, as one who can be testy at any time of the day, I would like to see if maybe we could demonstrate that even though the hour is late, that we all could maintain civility. I have some—I think—important questions to ask the Colonel, and I would hope, Mr. Chairman, that we might be able to complete this evening for a whole variety of reasons, and I think if we all try hard to stay within our time and prove that the chairman occasionally can be wrong, that the Inouye post-4:30 testiness rule does not prevail, maybe we can all get through the afternoon.

Mr. SULLIVAN. I will do my best from over here, sir.

Mr. RUDMAN. Thank you, counsel.

Colonel North, I am going to try to ask you some questions which I think your counsel prefers—those which require declarative answers. I would just say parenthetically at the beginning of what I have to say and ask, that it's kind of the world turned upside down that a subordinate takes responsibility for superiors. In the Army I served in, in the Marine Corps you served in with distinction, and in government generally, superiors are supposed to take responsibility for subordinates.

And I must say the statements out of the White House when this all broke pyramided by the fact you were, to use any other word, reassigned, fired, what you want, and your superior was allowed to gracefully resign, gave a clear message, aided and abetted by source stories about you and what you did, that have proved ultimately, in my view, false but in fact were designed to make you the scapegoat whether you liked it or not. And evidently it wasn't until you came here a week ago today and testified for the first time that some folks must have finally found out a phrase that you will understand, Colonel: "Somebody didn't get the word."

I want to talk to you about Director Casey's legal opinions. And I want to start out by saying that I have concluded at the end of your testimony but actually before you came here, in reviewing literally hundreds and thousands of documents, that you indeed were authorized to do what you did in terms of the policies.

I'm not going to talk about the collateral issues—the shredding, statements to the Congress, and other personal matters—but the basic things that you did, not only is your testimony candid and believable, but it is true, and it is supported, and it is corroborated, and it will be corroborated by the other witnesses.

You relied on others for their view. You testified, and I have the transcript—I don't want to go through it—but you essentially testified that Director Casey told you that the NSC was not covered by Boland; am I correct?

Mr. NORTH. That is correct, sir.

Mr. RUDMAN. He also told you that the Defense Department, the CIA, the State Department were covered but the NSC was not.

Whether he was right or wrong, that is what this respected lawyer and the head of the CIA told you?

Mr. NORTH. Yes, sir.

Mr. RUDMAN. The thing that disturbs me, Colonel—and again, I am not being critical of you, but I want to lay this all out—is that you were employed by DOD. Your superiors knew it. Admiral Poindexter knew it.

I've checked to make sure I'm correct—and you correct me if I am wrong—but since the day that you were assigned to NSC, you have been compensated as a Marine, from the Marine Corps, am I correct?

Mr. NORTH. As a major and then as a lieutenant colonel, sir.

Mr. RUDMAN. That is correct, Colonel.

And as a matter of fact, Mr. Sciaroni in his opinion said although the NSC is not subject to the Boland Amendment prohibitions, nevertheless Lt. Col. North might be as he evidently is on a nonreimbursed detail from the Marine Corps. He went on to say if it was reimbursed by the NSC then it might change. But the fact is it was never reimbursed by the NSC; am I correct?

Mr. NORTH. I don't know that it was and I don't know that it wasn't, but I assume it was not.

Mr. RUDMAN. I will represent to you that it was not. So your superiors took some liberties with the law because it's my understanding from talking to our staff and from what we know no one ever said to you—either Poindexter, Casey, McFarlane, or anyone else—Colonel, if you want to continue this activity either you resign from the Marine Corps or we do something else because you were prohibited by Boland and yet they ordered you to do what you did; is that correct?

Mr. NORTH. No, sir.

Mr. RUDMAN. That's not correct?

Mr. NORTH. Because it did not occur to any of us that my salary, whether I would be paid as a lieutenant colonel in ADAC or whether I was paid being as a lieutenant colonel in the NSC, was covered by that particular proviso. And, in fact, Director Casey, I think accurately, pointed out that this was to avoid using appropriated moneys of the CIA, of anybody to pay off or—the costs of doing business in Nicaragua or doing the business of the Democratic Resistance. It never in my wildest dreams occurred to me that my salary would be subject to that kind of a proviso.

Mr. RUDMAN. Let me just say, Colonel, that Casey may have been right about some things. There are many who think he was wrong about that. But that's not your problem. No one at the White House ever told you that you were prohibited, am I correct?

Mr. NORTH. That is correct, sir.

Mr. RUDMAN. Admiral Poindexter knew who was paying you; correct?

Mr. NORTH. Yes, sir.

Mr. RUDMAN. Thank you. I want to turn to your speechmaking and your fundraising. You made an oblique reference to it. I want to have a couple of questions about that.

Colonel North, there is not one shred of evidence before this committee that you ever personally asked anyone to donate money for the Contras.

Mr. NORTH. Thank you, sir.

Mr. RUDMAN. And no one has ever said that, at least this Senator hasn't said that privately or publicly. As a matter of fact, each speech that you gave you were authorized to give it, is my understanding?

Mr. NORTH. That is correct.

Mr. RUDMAN. So we are not talking about the speeches. I want to characterize Mrs. Garwood's testimony to you because in no way was I using a pejorative phrase. I was saying it probably more in awe. Mrs. Garwood told us that you sat in the Hay Adams with Mrs. Garwood and Spitz Channell and you went over all the needs of the Contras and you left.

What happened after that, you probably only know from public testimony. She also testified that you met her in Houston, that you told her about the needs of the Contras and said specifically, "I am not asking you for money I am not supposed to." Continued to lay out the need and left. Thereafter, on both occasions the evidence is clear that Mr. Channell asked for money and received it. I assume that you knew that Mr. Channell was engaged in fundraising. You may not have known the details of his representations, but you certainly knew he was a fundraiser.

He was an individual American and he had a right to do that.

Mr. NORTH. I did.

Mr. RUDMAN. Well, Colonel North, the point I was making that day I will make again to you today. In fact, I will even amend it.

Watching you testify here for 5 days and noting the fervor with which you speak, I will amend it by—to say that the one-two punch wasn't necessary. Only the one punch. You made a strong case and it was only natural that people gave funds.

Do you want to deny that that was—I won't use the word "scheme," but it was certainly part of an effort to raise money for the Contras? That's my question.

Mr. NORTH. Quite clearly it was.

Mr. RUDMAN. Thank you.

I only have two other points.

I want to talk about the Dawa prisoners in Kuwait. I have read your testimony very carefully and as I understand that testimony, Mr. Hakim made his nine-point representation. Part of it was for a method to get these prisoners released, but not by the United States, in a way that United States would not be accountable and that you, in fact, according to your sworn testimony, to Mr. Liman, said, "And did you include in the approval that you sought the item about presenting a plan for the release of the Dawa?"

"Colonel North: Yes."

"Mr. Liman: Did you get the approval?"

"Yes."

That accurate so far?

Mr. NORTH. Yes.

Mr. RUDMAN. Here's the problem I have with all of this. Let's agree, and some of it is classified and we won't talk about it, that the effort would be done by someone else. That the United States would not have its fingerprints in any way on these people?

Mr. NORTH. Absolutely correct.

Mr. RUDMAN. The thing that troubles me, Colonel, and you might explain, if you could briefly, these people—and you understand this better than anyone—they are not unlike the people that killed Natasha Simpson or Robert Stedham, Leon Klinghoffer; they are not unlike Abu Nidal, whom you thought might be threatening your family. How in the world could the United States either directly, tangentially, or any other way—not your policy, NSC policy—we'll ask Poindexter, how could we possibly be advocating in some way that they be released?

Mr. NORTH. I don't believe that what I was talking about was an advocacy for release. It is a simple fact of reality that there will come a time when those 17 will be released. It is not unusual in that part of the world to see those kinds of transactions work. We have seen it with our friends, with our allies, and quite simply, we have seen it with our adversaries. There will come a time when those people will walk free.

Mr. RUDMAN. I hope not, Colonel North.

Mr. NORTH. I am simply making a bald statement of fact. We have seen it happen countless times. We have seen Americans who have been convicted of the most heinous crimes possible turned loose to walk free in American cities.

Mr. RUDMAN. Well, Colonel North, you will hear testimony, next week or the week after, that you will find interesting, that when the President of the United States, after you had left your present assignment, learned of some efforts tangentially to talk about the Dawa prisoners, but to use your term he would have gone ballistic; to use my term, he went hyperorbit, out of sight.

This was a stated policy of the President and I would only make the observation and you had authority for what you did and others will speak to it, Colonel North, but it seems to me if we are to learn anything around here, we ought not to talk about people like that who are scum, in return for anything.

Mr. NORTH. I could not agree more, Senator. But the fact is if those people were going to come to be released anyway— and I believe they will, because history is a precedent in that particular part of the world, and with those kinds of groups—then there ought to be some benefit derived from that for us, not just for the two parties transacting that kind of release, and it will happen as sure as I'm sitting here.

Mr. RUDMAN. Colonel North, finally, everyone else has had something to say to you. I have something to take—of some difference of opinion with you on. And it is in your statement you delivered here last Thursday morning.

You said about the Congress, "I suggest to you that it is the Congress which must accept the blame in the Nicaraguan Freedom Fighting matter, plain and simple. You are to blame because of the fickle, vacillating, unpredictable, on-again-off-again policy toward the Resistance."

You are entitled to your view, but I want to share some of my views with you.

It is interesting that national polling data over the course of the last 3 years have shown that under the latest Harris poll in June, 74 to 22 people in this country oppose aid to the Contras. In April of 1986 was an astounding poll which I think totally refutes your idea the American people somehow don't understand what's going on. That indicated that 56 percent of the American people were aware of the threat which Nicaragua poses to its Latin American neighbors, that 50 percent of those polled believe it is in the long-term interest of the United States to eliminate communism from Latin America—so far so good—and then 62 percent of the same polling group say no aid to the Contras.

And I can tell you myself, Colonel North, from campaigning in New Hampshire, a fairly conservative state, in the fall of last year—as one who has with reluctance on occasion but in the final analysis found there was no other solution, voted for that aid to the Contras—the people in this country just don't think that's a very good idea. And that is why this Congress has been fickle and vacillating.

Now, you might suggest that some of us voted anyway, even though it is against what our constituents believe. I want to point out to you, Colonel North, that the Constitution starts with the words, "We, the people." There is no way you can carry out a consistent policy if "we the people," disagree with it, because this Congress represents the people.

The President of the United States, the greatest communicator probably we have seen in the White House in years, has tried for 8 years and failed; you have tried, and I think probably failed in that—we'll see what the polls show in 2 or 8 weeks—and this relatively obscure senator from New Hampshire has tried with no success at all.

You know, Colonel North, I go back to Korea in 1951. We won and then we lost, and we were in a position to win again, and Harry Truman and Dwight Eisenhower who succeeded him recognized that although it was a crime to leave the North Korean people to the subjugation of North Korea, we walked away. We could have won that war at that point, we could have liberated the North, and many of us who were there wanted to. But the people didn't. They had enough of the killing: 550,000 casualties. Lyndon Johnson wrecked his presidency on the shoals of Vietnam.

I guess the last thing I want to say to you, Colonel, is that the American people have the constitutional right to be wrong. And what Ronald Reagan thinks or what Oliver North thinks or what I think or what anybody else thinks makes not a whit.

If the American people say enough, and that's why this Congress has been fickle and has vacillated, that's correct, but not because the people here necessarily believe differently than you do, but there comes a point that the views of the American people have to be heard.

Finally, Colonel, I want to thank you for your testimony. You have been an extraordinarily helpful witness. You have filled in many details that are necessary, and we appreciate that very much.

Thank you.

Chairman INOUYE. The hearing will stand in recess for 10 minutes.

[Brief recess]

Chairman INOUYE. I wish to announce that after conferring with the majority of the members of the panel, bipartisan membership, I have concluded that in the best interests of the hearing, the witness, and the members of the panel, we should stand in recess until 9:00 tomorrow morning.

However, before doing so, I would like to place the following exhibits in the record: OLN 215 to 220, 222 to 230, 232 to 233, 235 to 237, 240 to 242. And the following are classified exhibits and will be placed in the classified annex unless declassified prior to publication: 221, 231, 234, 238, and 239.

Following the Colonel's testimony tomorrow morning, which will be in this hearing room, the committees will hear again from Mr. Robert C. McFarlane, former National Security Adviser to the President of the United States.

Mr. McFarlane requested an opportunity to return for further testimony in the light of certain statements made by Colonel North. We decided to grant this request for the sake of a complete record and as a matter of fairness to Mr. McFarlane, who testified at a time when neither he nor the committees had any knowledge of what Colonel North would say.

After Mr. McFarlane's testimony the committees will receive testimony from Mr. James Radzimski, the former Security Officer for System 4 documents at the White House. After that the committees will receive testimony from Admiral John Poindexter.

The hearing will stand in recess until 9:00 tomorrow morning.

[Thereupon, at 5:10 p.m., the Select Committees recessed to reconvene at 9:00 a.m., Tuesday, July 14, 1987.]

JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

Continued Testimony of Oliver L. North (Questioning by Members) and Robert C. McFarlane

TUESDAY JULY 14, 1987

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
AND
HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN,
Washington, DC.

The Select Committees met, pursuant to call, at 10:00 a.m., in room 325, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the Senate Select Committee) and Hon. Lee H. Hamilton (chairman of the House Select Committee) presiding.

Chairman INOUYE. The hearing will please come to order.

I would like to assure the witness and Mr. Sullivan that we will finish this morning.

CONTINUED TESTIMONY OF OLIVER L. NORTH, FROM JULY 13

Chairman HAMILTON. The Chair recognizes Mr. Courter.

Mr. COURTER. Thank you very much, Mr. Chairman.

Good morning, Colonel North.

Mr. NORTH. Good morning, Congressman Courter.

Mr. COURTER. Mr. Chairman, before I ask a question, I was the individual a few days ago that asked if Colonel North could give the briefing that he had given to so many groups before this committee and it is my understanding that the chair's answer was yes.

Late yesterday, I discovered, or at least I heard, that that briefing would be permitted, but it would not be permitted in this room; it would be permitted elsewhere in another room, and of course, it bothers me because I know that this room is very well equipped technologically and I remember the chairman's words in the beginning of this hearing when he said, "We believe that sunlight is the best disinfectant."

I believe that, and I believe that if the question can be put here, the answer can be placed here as well.

The Chair said that "the full story should be presented to the public expeditiously and fairly" and it seems to me that nothing is presented to the public if we move to a different room under different circumstances, different exposure, and a different surrounding.

It was said that "We must clear the air and let the facts of this unfortunate and sad affair emerge." Now I would argue that that is true, we should let them all emerge and what is accused in the sunlight should be able to be answered in the sunlight and not the twilight.

Mr. Hamilton said and I agree that "These hearings will be devoted to finding out what was done during the period that the Boland Amendment was in effect to supply the Contras, by whom has it been done, at whose direction, what funds were used, and who raised them."

It seems to me that the charge by Mr. Liman that the briefing by Colonel North was a solicitation for funds, that he asked for those funds—and it seems to me that if the charge can be made here in this room, the response can be made here in this room.

I understand the briefing is not secret. It is not classified. It is not code word.

It would be ironic in my mind as well as tragic to tell the American people that this committee, which is dedicated to presenting all the evidence, has now decided, if that, in fact, is the final decision, to cover up part of that evidence, to engage in a little shredding of its own.

Mr. Chairman, I know that everybody on the committee has endeavored to be bipartisan, and we have. I just mention the fact that if the decision is made by the chairs that we move to a different room for the briefing of Mr. North, that I put that question to a recorded vote.

There was a statement yesterday by—toward the end of the day——

Chairman INOUYE. May the chair respond?

Mr. COURTER. Absolutely.

Chairman INOUYE. Do you want to take a vote at this time?

Mr. COURTER. Not on my time.

If the light goes off, I would be happy to.

Chairman INOUYE. Please proceed.

Mr. COURTER. Thank you.

It was indicated by someone late in the day that what we should do is take a public opinion poll to determine what our foreign policy should be and I would like to say that I disagree with that.

I think indeed the opinion of the President is important, the Congress is important, and the American people is very important. But I would say that if what we did was stick our fingers in our mouths and hold it up to the political winds each time we cast a vote, sometimes those vote would be the wrong ones.

I am wondering whether the Voting Rights Act of 1964 would have been passed if that is what we did, or the Panama Canal Treaty would have been passed if that is what we did, if important foreign aid appropriation bills would have been passed if that is what we did.

What I am suggesting here of course is that this Congress and this President from time to time has to assert some leadership and show as well some courage.

I was talking about this to a friend who sits on this panel and he said that if Jesus Christ had taken a poll, he wouldn't have gone to Jerusalem.

I was reading last night, in fact late into the evening, a book that probably everybody in this room at one time read, at least we picked up, and the book is called *Profiles in Courage* by John Kennedy.

And Kennedy wrote, "In the days ahead, only the very courageous will be able to take the hard and unpopular decisions necessary for our survival in the struggle with a powerful enemy, an enemy with leaders who need give little thought to the popularity of their cause, pay little tribute to the public opinion they themselves manipulate, and who may force without fear of retaliation at the polls their citizens to sacrifice present laughter for future glory."

And I would hope and I pray and I really respect and expect that this committee and this Congress in the future will show sometimes less profile and more courage.

Into an area that I would also like to get into, it is the area of leaks. Lt. Col. North has indicated that one of the main reasons that he was not totally candid with the Congress is because he deeply felt that what he said to the Congress would not be kept by the Congress.

It was indicated by the chair, who has, by the way acted, both of them, in remarkable bipartisan way and they have shown splendid leadership here and none of my comments today should be interpreted as criticizing them, but it was indicated by the chair on the Senate side, Senator Inouye, that he had received a communication from General Odom and General Odom said that, in fact, no leaks had come from this panel or this joint panel.

I would like to set the record straight there if I can, and I would suggest that the full letter of General Odom be placed in the record because I don't have time to read the whole thing.

I would like to read just part of it.

He did indicate that, as follows, to the letter from General Odom to the chair, "I did not say that there have been no leaks by the committees. I simply do not know whether or not this is true. I have been told that there have been some leaks on nonsignal intelligence material."

He ends by saying, "I do not, however, believe that you have accurately conveyed in your public references to me what I actually said about these leaks."

It is my feeling and my judgment that this Congress and this committee has leaked important information, and I think therefore sometimes the reluctance of people like Colonel Oliver North to tell us what they know is understandable.

Chairman INOUYE. A matter of personal privilege, because my name has been mentioned, and I will give you extra time.

This is a letter from General Odom. He says, "Dear Mr. Chairman, I want to express my gratitude for the painstaking care taken by your committee to protect the uniquely sensitive material provided to you by this agency. I particularly appreciated your staff's excellent cooperation in agreeing to view our material here at Fort Meade and not to reproduce these documents for storage elsewhere as well as their sensitivity and handling our communications security equipment during early sessions of the hearings."

Please proceed, sir.

Mr. COURTER. I thank the chair.

Going on, I notice also that sometimes leaks would deter the willingness of people like yourself, lieutenant colonel, from notifying the Congress on things, and I indicated that I was sensitive to that concern because I believe that this body, as well as across Pennsylvania Avenue, leaks occur. But it is quite remarkable that sometimes policy changes can be affected by the mere threat of leaks.

What I would like to do is just mention an article that was written in the *New Republic* by Brit Hume and it indicated on page 20 that "Biden"—I think we all know who that refers to—"says he twice threatened to go public with covert actions, plans by the Reagan administration that were harebrained, and thereby halted them."

So it is not only the leaking of classified information that causes the problem, it is obvious that we have reached the stage here where individual Members of the Senate and House of Representatives have threatened to go public, and thereby frustrating covert activities.

And I would like now to ask Lt. Col. North a question, if I may.

You indicated in your testimony that has now spanned 6 days and will go on to the 7th day, that you were concerned about leaks. It was indicated to you that no leaks had occurred here, and I would ask—would like to ask you whether you can give us any statements that would indicate to us that you were correct, that some leaks with regard to covert activities did take place in the past, and I would like you to be as specific as you could.

What I have in reference, probably you may know, has to do with the *Achille Lauro* affair as well as the raid on Libya. If you could address those two situations, I would appreciate it, Colonel North.

Mr. NORTH. There were revelations immediately after the *Achille Lauro* capture of the terrorists that very seriously compromised our intelligence activities which allowed us to conduct the activity itself. The operation could not have been done without the availability of certain intelligence, and the statements made by a number of Members of Congress thereafter seriously jeopardized that effort and compromised those intelligence-gathering means. And I don't think we need to speak in further detail about that, but that is precisely the kind of thing we are talking about.

In the case of the Libya raid, there was a detailed briefing provided at the White House in the Old Executive Office Building which was hosted by the President, the members of the Cabinet were there that were part of the National Security Council and the National Security Planning Group. The President several times in the course of that briefing on what we were planning to do that evening noted the sensitivity and the fact that the lives of Americans were at risk. Nonetheless, when the briefing concluded at about 5:00 or 5:30, two Members of Congress proceeded immediately to waiting microphones and noted that the President was going to make a heretofore unannounced address to the nation on Libya.

I would tell you that the volume of fire over the Libyan capital was immense that evening. Two American airmen died as a consequence of that antiaircraft fire, as best we can determine. And I will also tell you that in my military experience, nobody keeps that volume of ammunition sitting around in their guns. They need a half hour, or an hour to break it out, get it ready. And any one of

the magazine photographs that you looked at shows, or the gun camera films themselves, show an enormous volume of fire that would indicate that while we may have had tactical surprise, strategic surprise was probably sacrificed by the comments made about the fact that the President was going to address the nation that evening on the issue of Libya.

If I were Muammar Qadhafi hearing those words, and there is no doubt that he did—this very session is being broadcast all over the world as you all know. The words that I am saying are instantly available in Moscow. The same thing happens on all of our network news. Those kinds of things alert our adversaries.

Mr. COURTER. Thank you, Colonel North.

Now, Colonel North, some days ago you were asked a question with regard to the need of Presidential concern about leaks, the right of the President to withhold temporarily information from the Congress of the United States, and you had before you a decision, *Curtiss-Wright.* It was a decision of the U.S. Supreme Court. And what I would like to do is give you an opportunity—you were asked at this particular time about it. You were about to read parts of that decision, and unfortunately were not permitted to read the parts of the decision that you wanted to, and if you have it before you today—I don't know if you do, I have a copy here—but if you do, I would like to provide you the opportunity to read that which you did not have the opportunity a few days ago.

Mr. MITCHELL. Mr. Chairman.

Chairman INOUYE. Yes, Senator Mitchell.

Mr. MITCHELL. May I be recognized? I merely wanted to make one correction.

Chairman INOUYE. I don't believe the mike is on.

Mr. MITCHELL. The note says it is on all the time. You mean I have been keeping quiet all these weeks and didn't have to do so?

I merely want to correct what I am certain was an inadvertent statement by Representative Courter. The reference was made during my questioning. I did not ask Colonel North about the *Curtiss-Wright* case; he raised it on his own, and I then commented on it, and we didn't get into it. I am sure that the Congressman did not mean to state otherwise. I believe the colonel will recall that himself.

Mr. NORTH. Precisely.

Mr. COURTER. I thank the Senator. If the colonel could proceed.

Mr. NORTH. My intention was to simply read an extract from the opinion of the Court and a quote contained in that opinion from an earlier President, and it's relatively brief.

"He"—and this refers to the President—"has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary and the premature disclosure of it productive of harmful results. Indeed, so clearly is this true that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence, and documents relating to the negotiation of the Jay Treaty, a refusal the wisdom of which was recognized by the House itself and has never since been doubted."

In his reply to the request, President Washington said, "The nature of foreign negotiations requires caution, and their success

must often depend on secrecy, and even when brought to a conclusion, a full disclosure of all of the measures, demands or eventual concessions which may have been proposed or contemplated would be extremely impolitic for this might have a pernicious influence on future negotiations or produce immediate inconveniences, perhaps danger and mischief in relation to other powers.

"The necessity of such caution and secrecy was one cogent reason for vesting the power of making treaties, et cetera, with the President."

That is a quote from President Washington contained within the opinion of the Court in *U.S.* v. *Curtiss-Wright*, and my purpose for trying to raise that as early as '85, was that the President does indeed have, as has long been respected by the courts and by the Congress itself, the authority to withhold certain information from the Congress in the area of foreign policy.

Mr. COURTER. I thank you.

Mr. Chairman, I see that my red light is on.

Chairman INOUYE. Please proceed for an additional 2 minutes, sir.

Mr. COURTER. I thank the chair very much.

Colonel North, before you came to testify, others of course testified about your activities, about accounts, traveler's checks were listed on the board to your left. As you know—or may not know—there was a great deal of snickering and laughter about that, about snow tires, about food. You answered those questions and I think probably everybody on the panel appreciates those answers, and I believe those answers and I think most people on the panel do as well.

Obviously, the laughter has now stopped. The jokes have now ended. People are treating your testimony with a great deal of seriousness. That is absolutely the way it should be.

It was suggested a few days before you came here that you were engaged in plans to become rich; we know that is not the case now. And that you had taken money that wasn't yours; that—we know that is not the case now.

Albert Hakim testified, I think quite remarkably, about an incident where you were in Iran and you were given the opportunity to walk away with an $8,000 rug. Do you recall that incident?

Mr. NORTH. It was in, I believe, Mainz, Germany, that that event occurred. But it was an Iranian who offered the rug, yes, sir.

Mr. COURTER. When did that event occur and what happened there very quickly?

Mr. NORTH. My recollection is it occurred in one of the meetings during the summer or autumn of '86. The Iranian intermediary of the second channel brought the rug with him to the meeting, a beautiful Persian carpet, and offered it to me. Then suggested that it was an appropriate gift from a person who cared deeply about reopening a relationship with his country.

And I simply told him that that was something I couldn't do. I couldn't accept it. He offered me a handful of pistachio nuts, which are something grown a lot of in Iran, and I took them and I ate them.

Mr. COURTER. Did you eat them all?

Mr. NORTH. I did, sir, and they were good nuts.

Mr. COURTER. Mr. Chairman, again, I appreciate the extra time. I see that my time is up.

It is pretty obvious, and I think it is appropriate for me at the present time to make my motion, so, Mr. Chairman, I move that Colonel North be given the opportunity to give his presentation here as the question was raised here in this room with Americans watching. I ask for a roll call vote on that, Mr. Chairman.

Mr. FASCELL. I have got an amendment, Mr. Chairman.

Chairman INOUYE. Will you state your amendment.

Mr. FASCELL. That Spitz Channell, Rich Miller and all the rest be here to tell us the other side of the story.

Mr. SULLIVAN. I would be delighted to agree with that. I would like 5 minutes to cross-examine each one of them.

Chairman INOUYE. Before we proceed, I would like to advise the panel that pursuant to your desires we have made arrangements to have the special viewing of the slides in Room S385 in this building at 7:30 this evening. Excuse me, 485, 7:30 this evening. We have not discussed this, but since this matter has been brought up, I think it should be made public. I am certain this morning's session will go on until about 1 o'clock, and it will take 2 hours to clear this place. Many people have thought that we have been taking long lunch hours, but some of the members of this panel are well aware why we take 2-hour lunch breaks, and that is to sweep this room. I am certain you realize what I mean by sweeping this room. Therefore, we will resume again at 3 o'clock. We have already advised Mr. McFarlane and Mr. Radzimski that they will be testifying. I would presume that they will go on until about 6, 6:30. Therefore, I have scheduled it for 7:30.

After we clear this place, the crews that are here now will have to clear out to move off to the House. It takes a little while. If you want to meet in this room, we can set it up for 10 o'clock this evening.

Mr. COURTER. Mr. Chairman, is that a question?

Chairman INOUYE. Do you want to meet here at 10 o'clock this evening?

Mr. COURTER. No. I see no reason why we can't have that briefing now. That briefing is part of the testimony.

Mr. HATCH. Mr. Chairman.

Mr. COURTER. This room can be set up for that type of a briefing.

Chairman INOUYE. I should also point out that what is in the slides as I indicated in my opening statement refers to the question whether we are for or against the Contras. That is not the issue before us. That issue will be before another panel.

We are here to discuss policy processes. I am certain my distinguished friend is well aware of that.

Senator Hatch?

Mr. HATCH. Mr. Chairman, I don't see any reason why we can't have it right here in full purview. Testimony has been that these slides and this presentation has been shown to thousands of people. I think it ought to be shown to the American people right here as part of this morning's thing. The slide show it seems to me should be presented because it is relevant. It seems to me to is relevant to these proceedings.

Much has been made here of the so-called one-two punch. It was a fair comment under those circumstances, but now it ought to be explained and the other side ought to be given a chance. Earlier in these proceedings, as part of a panel of three witnesses, to give testimony that was it seems to me designed to make the point that Colonel North was part of the process to raise money. That same point was raised again by Mr. Liman—and that's properly so; I am Finding no fault with that—in his direct questioning of Colonel North.

So I think the subject is not only relevant, it's crucial to the understanding of this and I think it's crucial to the American people. And if Colonel North, as I would expect him to do makes a good case for the Contras, so be it. I mean there are lots of things that we have had to put up with in here before he ever had a chance to explain himself.

Now he has had a chance and people don't seem to—I'm not saying on the panel, but people don't seem to like that. Except the American people. The American people like it. They like what they have heard in many respects. Now I think we ought to see the presentation. We ought to see it in this room. We ought to see it this morning. He ought to be given an opportunity to express it rightly or wrongly.

There may be people who as a result of that expression and seeing that will disagree with Colonel North. There may be many people who agree with him.

I really don't see why there's a necessity for a vote. For the life of me, I think it is just something that needs to be done.

Mr. CHENEY. Would the gentleman yield?

Mr. HATCH. I would be happy to yield.

Mr. CHENEY. Mr. Chairman, I believe at the end of my questioning the other day I reserved 20 minutes. I would be happy to devote my remaining 20 minutes to Colonel North's presentation.

Mr. HATCH. I think that's fair. It's the only fair thing to be done. There are lots of implications here that he did something wrong in presenting the Contras' side as he did in spite of the—and because of the private fundraising. Maybe that will be the final conclusion, but maybe it won't, too. And the only way I'm going to know is if Colonel North has an opportunity to express himself and to show what he did and to do it basically the way he did it to thousands of people as I recall his testimony.

I think it's unfair if we don't do that. I think it's unfair to the American people if we don't do it right here.

Chairman INOUYE. Senator Rudman.

Mr. RUDMAN. Mr. Chairman, since evidently something I said several weeks ago precipitated all of this, I think it might be well to refresh everyone's recollection. I believe the Senator from Utah was taking a telephone call in the anteroom at a part of my examination of the colonel. I think the colonel has answered the question forthrightly. Let me just remind people of yesterday's testimony.

I asked the colonel, first, I stipulated he had never raised money, had never asked for money, had never gone out and said, "I want money." In fact, quite the contrary. In fact, Senator Hatch, you might be interested to know that I amended my one-two punch to

say that I only thought that the one punch was necessary, judging the colonels fervor.

Mr. HATCH. I am aware of that.

Mr. RUDMAN. Secondly, in response to a question about the Garwood incidents, the colonel was very direct in his answer to me. I think we all heard it. It needs no repeating. And that was not a question that had any legal significance. It was to describe broadly what happened.

Now as my friend from Utah and my friend from New Jersey know, I am with them on voting supporting the Contras although many disagree with that. But quite frankly, let's face it. What is going on here is an attempt to further that cause in this hearing. In some ways, I think that would be a good idea, but in other ways we have managed to get through to the last 2 weeks of these hearings to discuss the important policy issues. I'm sure Mr. Sullivan would like to take his client out of here. I'm sure that Mr. Sullivan has a lot of potted plants in his office he would like to water this noon. And, you know, I'm going to vote against this because I want this committee to stick to its business.

The colonel answered the question precisely. The original reason for asking him to show that was to prove that he didn't raise money. We've stipulated he didn't raise money. The colonel—in response to my question said thank you, sir, and I said that's fine. We all know the facts. Let's not turn this into something it isn't or let's admit what we are doing.

Mr. HATCH. Would the Senator yield to me? Mr. Chairman?

Chairman INOUYE. I don't believe he wished to——

Mr. RUDMAN. I'm all done.

Mr. HATCH. Would the Senator yield for just one question from me or one comment about his remarks? If I could just say this, I find no fault with anything that has been done except that for a good percentage of these hearings, we had a lot of people who were prejudging this witness based upon charts and security fences and a lot of other things. I think he came in and explained those. The purpose of my request here, in support of the request of the distinguished Congressman from New Jersey, is not to prove the battle for the Contra case. That is not the purpose—if that happens, I will be very pleased. I might as well say that. Because I believe in the Contra cause. I believe in what is happening, what you believe, Lt. Col. North.

I believe that you were fighting for a correct principle and for this hemisphere and against what really is a deleterious force and all of that.

But he hasn't had a chance—now I agree also with Senator Rudman. He has stipulated some of the things that he has said. I admire him for it and I respect him for it and he has corrected some of his statements. But there still is an impression left here that you are a loose cannon running around doing something deleterious to our country when, in fact, you were telling people of what was happening and there's an implication here that because Channell and Miller have plead guilty to what—regardless of what they plead guilty to, the fact they plead guilty, that you may have had some connection with them.

Frankly, I think that's got to be cleared up. I think it ought to be cleared up publicly. You ought to be able to give this presentation. The slides are not—are something I think the American people ought to see at this time. I would like to do it this morning rather than 7:30 tonight in some small room or 10 o'clock tonight in here with nobody in attendance.

Chairman INOUYE. May I say something before I call a recess so that the two panels can discuss this matter separately.

To have a slide show in this room, it will necessitate the darkening of this room.

Mr. HATCH. That's OK.

Chairman INOUYE. TV lights are such that the slide show cannot be seen by anyone.

Mr. HATCH. That's OK.

Chairman INOUYE. Therefore, the slide show will not be seen by the people of the United States. The reason we do not wish to darken this room at this stage, unless we clear out everyone in this room, is security.

Mr. HATCH. I understand.

Chairman INOUYE. And it will take at least 45 minutes to set it up. I have promised Mr. Sullivan, I promised the colonel that we will quit this morning. At the rate we are going, I am sorry, Mr. Sullivan, you will have to wait until 3 o'clock to water your potted plants.

But do you wish to have a vote now?

Mr. COURTER. Mr. Chairman, if I may respond, I thank the chair for recognizing me.

Number one, it is my understanding that this is a request that has been around for a long period of time, and I believe what you say, but I find that those people in charge of the technological aspects of this room should be able to create a situation such that slides can be shown on television.

I've had hearings for 9½ years or 9 years as a Member of the House and many of those slide programs are picked up on TV. I just find it remarkable that for somehow it can't be done here when it's been done 9 years in a row in the House of Representatives.

Number two, it is my understanding that if there is a technological problem, which I believe could have been surmounted, then Mr. Cheney has yielded 20 minutes and it can go on, irrespective of the clarity of the slide program. It seems to me that even if I failed the motion, Mr. Cheney is prepared, stands in the wings prepared to yield 20 minutes to Colonel North for that purpose. So I would say that I'd like to have the vote. If I fail that vote, it's my understanding that Congressman Cheney will yield his time to Colonel North and Colonel North should be given the opportunity immediately to proceed with his briefing.

Mr. DEWINE. Will the gentleman yield?

Chairman INOUYE. I would like to advise the panel that the yielding of time must be for purpose that will be approved by the panel or by the chair.

Mr. COURTER. Well I don't know what he's going to say. So I don't know—whether its going to——

Mr. DEWINE. I would still ask the gentleman to yield.

Chairman INOUYE. Senator McClure.

Mr. COURTER. I would still be happy to yield.

Mr. DEWINE. He has to get prior approval from the chair what I am going to say? I don't quite understand.

Mr. COURTER. Mr. Chairman, may I yield?

Mr. DEWINE. Would the gentleman yield. I would ask the gentleman yield.

Mr. COURTER. If the chair would let me yield, I will yield.

Mr. DEWINE. I ask the chair's permission to have the gentleman yield to me.

Chairman INOUYE. I was advising Mr. Courter that one may yield his time to another panel member but the purpose of that yielding must be subject to the approval of this panel, to wit the chairman.

Mr. DEWINE. I would ask the chair's permission.

Mr. MCCLURE. Mr. Chairman?

Chairman INOUYE. Senator McClure.

I am recognizing the Senator. He has been waiting a long time now. And after that I will recognize you, sir.

Mr. MCCLURE. Mr. Chairman, I know it is almost impossible to separate the subject matters in this kind of a discussion or the question that the panel will now address as to whether or not to permit the time to have Colonel North make the presentation.

But, Mr. Chairman, there was the implication raised at earlier stages of this proceedings that Colonel North was involved in an activity proscribed by the Boland Amendment in raising funds for the Contras.

Now, that implication he didn't raise. It was not an implication raised by him in his testimony. It was an implication raised through the means of other witnesses' testimony and comments by Members of this panel that indeed there was in effect a conspiracy to evade Boland by the device of having Colonel North make the pitch and someone else come in and make the solicitation, and Senator Rudman made reference to it again today, that he had described that as the old one-two punch.

I don't think it is possible for us under those circumstances to deny the opportunity for this panel to see what that really was—not for the content alone, although certainly it does have content, but because it has a fair relationship and a bearing upon the question that was raised in this committee that somehow Colonel North's activities were erroneous under the statutes that were in effect at that time.

I understand that those who are opposed to Contra aid—and I am not one of those, I am in support of aid to the Contras, and I am in support of what the colonel has done, but I don't—and will not vote on this matter because I am in favor of Contra aid, but because I'm in favor of fairness to Colonel North and the others who were involved in this process.

Mr. RUDMAN. Would my friend yield for one moment.

Mr. MCCLURE. I would be happy to yield.

Mr. RUDMAN. Just so the record is clear, the description of Colonel North's activities—you can read the record—was not his slide presentations, his speeches to the ABA which were authorized, his other speeches which were authorized. My remarks and other remarks of this panel were directed to two meetings with Mrs. Gar-

wood at the Hay-Adams Hotel, with Mrs. Garwood in Houston, Texas.

The colonel and I discussed that yesterday. I think we had a meeting of the minds on that issue. So that is not what the description was.

I think we all understand that the colonel had every right to give those speeches, those slide presentations, because he testified yesterday they were authorized by his superiors, and we know that to be true. We are talking about two isolated incidents. So let's not confuse the issue.

Mr. MCCLURE. I am not at all confused about what the issue is, Senator Rudman, although you may attempt to do that. The fact of the matter is that there were questions raised about the activity in the presentations made by Colonel North and this presentation is essential to that, in my judgment.

As I started to say a moment ago, this panel certainly has the right to make the determination as to whether or not he will be heard—he will be permitted to make that presentation, which I think is essential from his standpoint and essential from my view as to whether or not that story has been fully and fairly told.

Now if the panel votes not to do so, I recognize that the majority rules, and I will certainly abide by the wishes of the majority—as though I had any other choice. I will certainly—I do want the panel to understand why I will vote in favor of the motion that the gentleman from New Jersey has made.

Chairman INOUYE. Mr. McCollum?

Mr. MCCOLLUM. Thank you, Mr. Chairman.

I think the issue on the vote as to what time of day we have this presentation is the essence of the question of what is fair to Colonel North and what is fair in the sense of whether the American public views it.

We have had a lot of discussions, not in this panel so much but in the media and amongst the public over the last few days of Colonel North's testimony, about whether we have been fair to him or not. I don't impugn the motives of anyone on the committee or the leadership, but the impression is out there among many people in the public that this committee has not been fair, and it seems to me that if we are going to relegate the slide presentation to 7:30 tonight, the night of the All Star Baseball Game on television, if we are going to put him on the back burner like that so he cannot have an opportunity to give this presentation that we, I think, all have now agreed he should be allowed to give so the American public can see it—and I agree with Congressman Courter, technically whether we could shine it here with the lights in the right way for the TV media or not, they certainly can put these slides and duplicates could be made to give them. They could put them on television, if they want.

If we are going to shunt him and his opportunity away like that, we are going to be unfair to him.

In addition to that, I have not been a party to it and I am sure better wisdom perhaps than mine prevailed, but we are bringing forward this afternoon presumably, or shortly after Colonel North leaves, Mr. McFarlane for a period of testimony, presumably in rebuttal to what Colonel North is going to say or has already said.

And it seems to me that that also will tend to be an appearance of unfairness unless we parade and give Colonel North an opportunity to parade back up here again and rebut whatever Mr. McFarlane says.

So in the context of all this, I think it is important for the integrity of this process that we allow the presentation of these slides at a reasonable hour during the testimony of Colonel North, during the daytime, and not put it somewhere back against the All Star Game tonight or in some dark corner, in some abyss where the American public will never actually see or appreciate the delivery, the style, the nature of the presentation and always wonder about it.

Chairman INOUYE. Mr. DeWine?

Mr. DEWINE. Thank you, Mr. Chairman.

Mr. Chairman, the issue is not aid to the Contras; this is being offered because really it is the best evidence of what Colonel North's intent was. It is the best evidence of what actually happened.

There have been allegations—maybe not on this committee, but there have been allegations that there was something wrong with what Colonel North was doing, that he was directly involved in solicitation. The best evidence of whether he was or was not is the actual presentation itself, a presentation that he—my understanding—gave to over 100 groups, only a few of those actually had to do with fundraising. That is the best evidence.

I would also add, Mr. Chairman, the intense interest of the American people in this presentation. I was home in Ohio for the weekend for 2 days. I can't tell you how many people came up to me, not only expressing interest in these hearings, but who specifically said, "I want to hear that presentation."

I even had a call yesterday back to my office, back to my office, and someone said, "I want the congressman to yield his 15 minutes of time. If he can't get it any other way, have DeWine yield that 15 minutes of time."

So there is an interest in this.

I think—I agree with Bill McCollum. We have an obligation to put this on in the normal sequence of events and not pick a time at night when the All Star Game is going on and we are going up against "Jeopardy" or something else. It ought to be in the normal procedure. I think it is unfair not to have it in the normal procedure.

Thank you.

Chairman INOUYE. Senator Cohen?

Mr. COHEN. Mr. Chairman, I just——

Chairman INOUYE. Before you proceed, I would like to advise the panel that a vote is in progress, and I believe we just have about 3 minutes to report to the Senate.

Please proceed, sir.

Mr. COHEN. I have but a 30-second question, Mr. Chairman.

Is it the presentation or the circumstances under which the presentation was given at any particular time that is in question?

If it is the presentation per se, then we should have the slide show alone. But if it is the circumstances under which the presentation was given, it seems to me that we would have to consider

calling the "second punch," as Senator Rudman has talked about, and that would be under what circumstances followed the presentation, what was the relationship.

So I am perfectly prepared to have a presentation, but I think it has to be placed within the context under which it was given if that is to present a fair picture of what took place on those given times.

Chairman INOUYE. I am certain you recall my statement at the time this matter was brought up, that in order to provide the appropriate aura and the flavor of that moment, we would have to call in Mr. Channell and Mr. Miller.

Mr. FASCELL. And other witnesses.

Chairman INOUYE. And arrangements have been made to call upon Mr. Channell and Mr. Miller—and Mrs. Garwood, I believe it is. So that we will have a full picture.

Mr. SARBANES. Would the senator yield on that point?

Mr. Chairman, I just make this observation: Even if you bring Channell, Miller, and Mrs. Garwood to make a presentation now, today, that doesn't establish for the committee what the presentation was that was made then.

Chairman INOUYE. Obviously.

Mr. SARBANES. Yesterday—in other words, the issue, if there is an issue—and I am not sure there is, because I think Senator Rudman has effectively addressed that question—but if there is an issue, the issue is the nature of the presentation that was made then, and putting together a presentation now doesn't answer that question.

Mr. HATCH. Mr. Chairman?

Chairman INOUYE. Mr. Rudman?

Mr. RUDMAN. Mr. Chairman, I just want to make an observation. We are talking about fairness. I think I know how this vote might go. I don't particularly want to see Colonel North sitting here describing circumstances with Mr. Spitz Channell sitting next to him or in the same room with him; a man who has already been indicted and pled guilty. I don't think that is fair to this witness. And so if the only way we are going to settle this thing is to have it that way, then I think we ought to think long and hard, talking about fairness, to associate the colonel with a man that's already been found guilty. Thank you.

Mr. HATCH. I will just take 30-seconds.

That is fine with me. I think it's time that we get this out publicly and just plain give the lieutenant colonel a chance to explain what he did. That is what is important. I don't care what the others did. I will be listening with great interest to what they did. I want to know what he did. And, to be honest with you, I think he ought to have that opportunity to tell the American people, and I think the technological problems can be resolved—as Mr. Courter says—and it should be done.

Mr. COURTER. Mr. Chairman?

Chairman INOUYE. To give us time to cool our souls and to cast our vote, we will stand in recess for 10 minutes.

[Brief recess.]

Chairman INOUYE. The hearing will please come to order.

Contrary to a belief held by many Americans, this panel has tried its best to be fair.

On the matter before us, to wit the showing of the slides, I have tried my best to advise one and all that because of security considerations, the lights in this room cannot be turned off.

Accordingly, the slides would not be seen either by Members of the panel and, more importantly, by the people of the United States.

However, I believe we have worked out something that might serve the purpose intended by Mr. Courter.

We have no desire to keep any information away from the people of the United States. It was not our intention to do so and as a result a special room had been set aside, a special screen had been acquired, a special projector was acquired, but apparently, under the arrangement, we may not see the show.

Chairman Hamilton?

Chairman HAMILTON. Thank you very much, Mr. Chairman.

Members will recall that Congressman Cheney had 20 minutes reserved on his time. So the chair recognizes Congressman Cheney at this time for 20 minutes for the purpose of asking questions.

Congressman Cheney?

Mr. CHENEY. Thank you, Mr. Chairman.

Mr. Chairman, I think on behalf of many of us—Mr. Courter, Senator McClure, and others who spoke to this issue—we feel very, very strongly that given the line of questioning developed by counsel for the committee, it is only fair that Colonel North have the opportunity to present that information that was a part of his briefing with respect to the question of what kind of efforts he made in providing information to American citizens who ultimately cooperated in and supported fundraising efforts for the Contras.

I think the key thing for us, Mr. Chairman, is that the permanent record of these proceedings show what, in fact, was in that presentation and that the American people have access to that information.

I would concur in the chairman's statement that it is impossible from a technical standpoint this morning to present the slides in this setting in a manner that would make them available to the public.

So I am going to make the following request, Mr. Chairman.

First of all, I ask unanimous consent that the slides that are part of Colonel North's briefing be made a permanent part of the printed record of these proceedings.

Chairman INOUYE. Before responding to that, I have a question.

How many slides are involved, Colonel? Because I have been told that slides are selected for different purposes.

Mr. NORTH. The briefing in its current format and there were many different formats for it of course, and we tried to update it, has 57 slides in it, Senator.

Chairman INOUYE. Is there a written text that accompanies the slide show?

Mr. NORTH. No, sir.

Chairman INOUYE. Are there notes that you refer to?

Mr. NORTH. No.

I would in the format that I gave it in many times, sometimes even up here on the Hill, I would simply put the slides up on the screen and describe the slides and, of course, the contents of the entire briefing demonstrated the Soviet threat in this hemisphere and how the Resistance was——

Chairman INOUYE. Fine, sir.

Mr. NORTH. —responding to it.

Chairman INOUYE. Then we are submitting 57; is that correct, Mr. Cheney?

Mr. CHENEY. Yes.

Chairman INOUYE. Without objection, the 57 slides will be made part of the permanent record.

Mr. CHENEY. Secondly, Mr. Chairman, if I might, I ask unanimous consent that the material on the slides be produced in printed form and made available to the press and the public by that means.

Chairman INOUYE. So ordered.

[The information appears in appendix B.]

Mr. HATCH. Can we have that done today? Is it possible?

Chairman INOUYE. We will expedite the matter, sir.

Mr. CHENEY. Thank you, Mr. Chairman.

Mr. HYDE. Will the gentleman from Wyoming yield for a question?

Mr. CHENEY. I will be happy to yield to the gentleman from Illinois, Mr. Hyde.

Mr. HYDE. Will there be captions on these slides? They will be meaningless if they are just reproduced as pictures unless we know what they portray. So somebody had best compose captions for them or, as I say, I don't think they will be too helpful.

Mr. CHENEY. I would be happy to ask our staff to work with Colonel North and take the slides and put them out in an appropriate fashion in four colors if the gentleman from Illinois so desires.

Chairman INOUYE. We will do whatever we can to accommodate you, sir.

Mr. CHENEY. Colonel North, in the time remaining to me, I would like to ask you to give us a general description of your briefing, if you will. I am especially interested in putting on the public record as part of these hearings information about the nature and the extent of the Soviet threat in Central America and Nicaragua.

Mr. NORTH. All right, sir.

Perhaps the best way to do that is simply go through the presentation as it exists and I will try to quickly go through the slides and indicate what I would have said had the slides been up on the screen.

The first slide simply demonstrates the geography and why this part of the world seems to be of so much interest to the Soviets.

The first slide shows the effect of Soviet penetration in this hemisphere in the form of a consolidated Communist region in Cuba and the threat that poses to our sea lines of communication, both to Europe and through the Panama Canal and the threat it poses to 55 percent of our oil supplies coming up from Latin America.

The second slide is a photograph of Andre Gromyko, then the Foreign Minister of the Soviet Union, and a quote from Mr. Gromyko to the effect that he said in Moscow in 1983, "the region is

boiling like a cauldron. Cuba and Nicaragua are living examples for the countries in that part of the world," talking about their intentions.

A second quote from Marshall Ogarkov, then the head of the Soviet Armed Forces in Moscow when he was talking to Maurice Bishop, then the head of Grenada, in which he said—a note taken by Bishop and his people in visiting Moscow in March of 1983—the Marshall said—forgive me—the Marshall said that, "Over two decades ago there was only Cuba in Latin America. Today there are Nicaragua, Grenada, and a serious battle is going on in El Salvador," a 1983 pronouncement by Marshall Ogarkov.

There is then a summary of the Soviet policy in the region based on Soviet literature and summarized that their goal is to create such turmoil in the Caribbean Basin that the United States must divert attention and military resources from areas critical to the Soviets.

A follow-on slide depicts the fact that the Soviets are outspending us in our own hemisphere in a ratio of about 5 to 1. That is in 1985—1984's figures. They have since gotten worse.

A photograph showing the Soviet warships deployed in the Caribbean, what used to be referred to as an American lake, 16 miles off the Coast of Louisiana. The Kiev battlegroup deployed for a refueling and replenishment exercise.

A photograph of the Soviet submarines provided to Cuba and the text that would have gone with it would describe the fact Adolf Hitler was able to shut down 44 percent of the shipping from the United States during the opening days of World War II from submarines based 4,000 miles away, and these submarines are based less than 200 miles away in Cuba.

A photograph of the U.S. Navy F-4 escorting a Soviet Bear F strategic reconnaissance aircraft 13 miles off the coast of the Virginia Capes, and then a photograph taken by a U.S. reconnaissance platform of the Soviet military facility at San Antonio de los Panos in Cuba. It is that facility which allows the Soviets to recover their reconnaissance aircraft which fly down the East Coast of the United States. And until they complete their base in Nicaragua, they are unable to do so in reconnoitering the West Coast of the United States.

Then a photograph of the Soviet signals intelligence site at Lourdes, Cuba, by which the Soviets—not the Cubans, but the Soviets—intercept our communications, particularly our telephone and satellite communications on which we rely for almost all of our military and diplomatic correspondence via telephone and telex.

A photograph showing the militarization of the Cuban children, a sixth-grade class out for their firing exercises.

Then a photograph showing a map showing where Cuban forces as the mercenary army of the Soviet Union are deployed, 3,000 in Nicaragua, 400 in the Congo, 35,000 in Angola, 700 in Mozambique, 5,000-plus in Ethiopia, and 500 in Yemen. That chart would have been updated, had I still been in my current employ, to show the 1,500 now in South Yemen. And the fact is the Soviets are indeed using the Cubans as a mercenary army throughout the world.

To point out that the Soviets weren't satisfied simply with having Cuba, that the militarization of the Island of Grenada was

first observed by U.S. reconnaissance platforms in the extension and expansion of an airfield at Point Salinas far in excess of that required for normal commercial operations, first cued us to the fact that something was seriously wrong on the Island of Grenada.

And, of course, in October of 1983, the next slide shows some of the Cuban economic aid going to the small island nation of Grenada—some of the packing crates from the warehouses full of weapons stamped with Cuban Economic Office and full of munitions.

The next slide shows a Chinese rocket launcher probably made in the 1950s, probably captured in Vietnam, shipped to Grenada, and then the shipping documents for that document—weapon captured in El Salvador, the shipping documents found in Grenada showing that Grenada was being used as a location to support Soviet designs for subversion and revolution in this hemisphere.

Then a photograph of the five secret military agreements found in Grenada after the U.S. rescue operation—military agreements with the Soviet Union, Bulgaria, North Korea, Cuba, and Hungary.

Somehow we were unable to get those things before the American people in such a way as that they understood what was really happening in this hemisphere. It has not only happened in Cuba, it is now happening in Nicaragua.

The next slide shows simply a map of Nicaragua, describing the fact that this country of about the size of Iowa or Michigan, a country with about three million in population, the only country in Central America with a—Latin America with a decreasing population, and why that population is decreasing is because of the internal repression perpetrated on the people of Nicaragua. It shows the growth of the active duty forces in the Sandinista military machine, an enormous military build-up supported by the Soviet Union.

The next slide—next series of slides shows some of the military equipment on which I have already been questioned, but it shows T-55 tanks now numbering over 150; the PT-76 tanks and the armored personnel carriers numbering over 300; the build-up, taken from reconnaissance platforms at Sandino airfield, turned from a civilian air facility under Somoza into one of the most sophisticated military facilities in Central America.

This is the armored storage area at El Tampisca built along the Cuban model; the special airfields built by the Soviets to support their—and the Cubans—to support the Sandinista military operations along the northern tier of that country; the construction of another armored storage area inside Nicaragua; the construction of a major port facility along the Pacific Coast in order to handle the offload of Soviet military supplies being delivered along the Pacific Coast at Corinto—two shots of that.

A photograph of the Soviet and Bulgarian-Cuban construction being conducted at Punta Huete along the Atlantic Coast. For the first time the Soviets will have the ability not only to deliver, they can do it pier-side. And the construction of an airstrip at El Bluff Bluefields—which the Soviets are supporting.

An aerial reconnaissance platform photograph of Punta Huete, the largest airfield south of the Rio Grande, bigger than Andrews Air Force Base, which is capable of launching and receiving any aircraft in the Soviet inventory, to include the reconnaissance air-

craft shown in the earlier slides, allowing them to reconnoiter the West Coast of the United States or even if they wish to recover Backfire bombers at such a location.

The next slide shows some of the supplies delivered to the Sandinistas during the period of Soviet support, which began not in 1982, but in 1979. The first of them shows one of the MI-8 HIP helicopters delivered originally as agricultural support equipment. It shows some of the unique agricultural support uniforms and, and of course the party emblem next to the agricultural rocket launcher on the side of the aircraft.

The next photograph is the Soviet Hind helicopter, the most sophisticated assault platform in the world today. It has been delivered by the dozens to the Sandinistas assembled by Soviet technicians and test flown by them.

It is flown by Cuban and Nicaraguan pilots against the Resistance and to intimidate their neighbors.

There is also a photograph of a Soviet AN-30 reconnaisance aircraft flown by Soviets in this hemisphere, not Cubans, not Nicaraguans, marked neatly with Aeroflot markings on the side, photographed surreptitiously from an aircraft landing at Sandino Airport.

Some quotes from the Ortega brothers and the band of folks down in Nicaragua in which somehow we have been unable to explain to the American people what their real intent was in bringing about this revolution.

I think the quotes are important because it really does depict what they have been saying all along.

In 1981, Humberto Ortega, the Defense Minister, interestingly enough a mirror image of what is going on Cuba—the Minister of Defense in Cuba is the brother of Fidel Castro, the Minister of Defense in Nicaragua is the brother of El Presidente, Daniel Ortega.

Humberto has said, "Marxism-Lenism is the scientific doctrine that guides our revolution. Our doctrine is Marxism-Leninism." And he said that in August of 1981. And what he is saying in every other word is that communism is what they want and this was being said at a time when we somehow couldn't explain to the American people effectively that these people really were Communists and they were all along.

Bernardo D'Arsay—"any investment project in our country belongs to the state. The bourgeoisie no longer exists, it subsists," 1984. The great political thinker, the Che Guevera in many respects of the current revolution in Nicaragua.

Tomas Borge, the Minister of Interior, he doesn't run the national parks. He runs the secret police. "You cannot be a true revolutionary in Latin America without being a Marxist-Leninist," said in Havana in 1984.

Then two photographs of Mr. Ortega and some of his associates, one with Fidel Castro and then with some of his other brothers in arms, in this case, the leader of Libya, Muammar Qadhafi, shown with Tomas Borge and the Minister of Foreign Affairs, Miguel Viscoto, along with Mr. Qadhafi on the deck of a Korean gunboat.

There are then a series of photographs which show the attempt to subvert their neighbors, in one case, a Lota automobile I described the other day which crashed into a bridge abutment, been

in an automobile accident in Honduras. And then the photographs showing what was inside that automobile to include the counterfeit money, the arms, the ammunition, the Soviet Bloc radios, the code sheets, all the things of subversion for subverting your neighbors.

Then there are two photographs showing the arms captured after the M-19 assault on the Supreme Court in which the entire Supreme Court of Colombia was murdered, all the records of the drug running that—perpetrated and supported by the M–19 guerrilla faction. All of the weapons in those photographs originated in Nicaragua.

Then a photograph that starts a series on what has happened to the people of Nicaragua. A photograph of one of the 11 new political prisons inside Nicaragua, a photograph of one of the victims with his arms and face terribly burned from having been trussed, bound, thrown into his Pentecostal Church and set afire while he was alive and he managed to push himself out of the church.

A photograph from a Nicaraguan schoolbook printed in East Germany or Cuba showing how young Nicaraguan children learn to count by counting grenades and AK–47. And of course the textbooks talk about anti-imperialism and anti-Americanism.

A photograph of some remarkable quality, one showing an entire town which fled in their Sunday best across the border simply to go to church on Sunday wearing everything that they had because they could never go back home.

A series of photographs showing the dislocation of the Meskito Indians, 25,000 to 30,000 of which have been driven from tribal homelands across the border into Costa Rica and Hondruas bringing with them their entire culture. Left alone for hundreds of years, these people no longer can go home.

Then some photographs showing the Nicaraguan Resistance, that shows the young men and women who have taken up arms because they have been denied any other recourse in their own country.

It shows the 57-year-old coffee farmer who I described earlier who came home and found his entire family murdered by the Sandinistas because they gave water to a passing Contra patrol.

A series of photographs showing how the Resistance looks as a consequence of the assistance I am accused and admit to having delivered. A photograph showing the leadership of the FDN, and in that photograph of 16 men, 11 of them are former Sandinistas.

A photograph of a Resistance unit crossing into Nicaragua, another one of a patrol deep inside Nicaragua. A photograph of a wounded Resistance soldier who benefited from the support that we provided during the cutoff and then a photograph of what it looked like before that help arrived, a photograph of the emergency aid station and intensive care unit, which is nothing more than a field tent without even 'mosquito' netting.

A photograph of the plastic maps that they were forced to draw their own battle plans and patrol routes on because we couldn't even give them that. And then finally, a photograph showing the grave of a Resistance fighter. And the conclusion of the briefing is, gentlemen, that we have got to offer them something more than the chance to die for their own country and the freedoms that we believe in.

Thank you, sir.

Mr. CHENEY. Thank you, Colonel North.

I yield back the balance of my time, Mr. Chairman.

Chairman INOUYE. The Chair recognizes Senator McClure.

Mr. MCCLURE. Thank you, Mr. Chairman. And thank you, Colonel North.

Mr. Chairman, before commencing my questioning, thank you for the accommodation that was reached in order to allow Colonel North to make the presentation that he has. And I think, without asking the committee to enter into the stipulation which Senator Rudman offered earlier on behalf of himself, he stipulated that indeed this presentation followed as it was in other settings by contacts of other people, did not in and of itself constitute a solicitation of funds, and I think Senator Rudman's words were that he would stipulate that those activities were not, that you did not and had not been involved in raising funds in these activities.

I say that because I realize that every member of the two committees that are here will make their own judgments about that fact, and so will the American public. But I do want to at least follow Senator Rudman's suggestion, to the extent that I can, by my remarks, indicate that I too think the record is very, very clear that you were very, very careful that you did not personally solicit money.

Mr. NORTH. That is correct, sir.

Mr. MCCLURE. You have testified to that, and while some say well you went right up to the line, that indicates you tried to get over it; while others are saying you went up to the line and you carefully followed the law that was in effect at that time.

Mr. NORTH. I did, sir.

Mr. MCCLURE. Colonel North, I want to go back in just a few minutes and kind of reconstruct where we are on the basis of your testimony. What it is these committees are really about. Our charge is to find out indeed what was U.S. policy in Iran, what was U.S. policy as reflected by the evolution of our policy with respect to Iran, and what does that mean with respect to the evolution of that policy. What were the influences, how did it come about, what were we really about. And secondly, the point that we began in these hearings, what was this Contra network and how did the two get mixed together.

I don't want to put words in your mouth, but I do want to get the background laid very quickly, and I will ask you if indeed you agree or disagree with my summary. And I hope indeed if you disagree, you will state it briefly, and if you agree, just state that.

If I understand your testimony to this point, the United States was approached by representatives first from Israel and then from Iran suggesting that we open a dialogue with elements inside Iran looking toward the time when there would be a different regime and a different relationship between the United States and that new regime in Iran, am I correct?

Mr. NORTH. Yes, and to assist in furthering that change of regime.

Mr. MCCLURE. And I would submit from my own standpoint that any administration that was given any hint that that was possible and did not pursue that opportunity would be derelict. Not because we like Khomeini, because obviously we do not. We are not seeking

to deal with Khomeini; we were seeking to find a way to deal with a different government in Iran than the one that exists there now, recognizing the importance of that country geostrategically and also economically because of the importance of oil to the world's economy, am I correct?

Mr. NORTH. Yes, sir.

Mr. MCCLURE. That from that initiative, the representatives of this country and of Israel began exploring ways in which that might be accomplished and in that process, we ran into some rather strange bedfellows. People like Mr. Ghorbanifar, who had made suggestions, in spite of the fact we didn't really have any reason to trust him, but nevertheless he made suggestions about the means by which we could accomplish the end of making contact with those elements in Iran.

And among those suggestions was, you have to prove you are really serious. Who is this guy Colonel North, or whoever else the representatives might have been of the United States? Were you really speaking for the President of the U.S.? Show your serious. Show you really speak for the United States, and that gave birth to the notion of proving bona fides by supplying arms; is that correct?

Mr. NORTH. That is my understanding of how it initiated, because I was not there at the conception, if you will.

Mr. MCCLURE. Colonel North, this isn't a summary because you haven't yet testified to this fact, but isn't it a fact that Israel was already involved in arms trades with Soviet Union—with Iran involving not only arms which they produced themselves inside Israel but also arms which had been supplied by the United States to Israel?

Mr. NORTH. Apparently so, yes, sir.

Mr. MCCLURE. So this was not an unprecedented or new idea so far as the relationships between Israel and Iran were concerned?

Mr. NORTH. We do not believe it was.

Mr. MCCLURE. Following that time, it was suggested, and I think again suggested to us by representatives of Israel, that Iran could prove their bona fides with us by putting pressure upon the Lebanese captors of U.S. hostages, to put pressure upon them to release hostages as an evidence to the fact that they indeed had clout within their own government?

Mr. NORTH. Yes.

Mr. MCCLURE. And that led to what has been described as the arms-for-hostages transactions?

Mr. NORTH. That is correct.

Mr. MCCLURE. Rightly or wrongly, that is the way it evolved?

Mr. NORTH. It did.

Mr. MCCLURE. It was also suggested to us if you really want to get any kind of a new relationship with Iran, you have to solve the question of hostages first because no responsible American Government can deal with a government in Iran so long as Iran has the key or can put pressure upon those who do have the key that locks up our hostages?

Mr. NORTH. Exactly.

Mr. MCCLURE. So it wasn't hostage-generated from the beginning, but hostages were both a means of proving bona fides and

also as removing a roadblock to the evolution of that kind of a new relationship with a new element inside Iran?

Mr. NORTH. Correct.

Mr. MCCLURE. Following that, then, came the escalating demands and the difficulties that came along with those escalating demands in the arms transactions with Iran and the pressures that would result in the release of hostages and there were a whole series of those difficulties?

Mr. NORTH. There certainly were, sir.

Mr. MCCLURE. You know I have been intrigued—and I asked earlier witnesses about this—I have been intrigued by the fact that Israel, who is so competent in so many ways, screwed up that arms transaction so badly——

Mr. NORTH. The November one?

Mr. MCCLURE. Yes. They had had successful arms transactions for a long while but suddenly in November, at about the time the United States was about to withdraw from the whole initiative, they suddenly have a stranded arms shipment, stranded in Portugal, because they didn't have the right kind of clearances, because they are trying to fly shipments in aircraft with Israeli markings, a whole host of different kinds of problems, all of which should have been very familiar to them; is that correct?

Mr. NORTH. Yes, and I have tried not to hypothesize— although many have—as to why that happened.

Mr. MCCLURE. Did it cross your mind at the time that that's odd that this group of people who are so very, very competent in so many different ways and have carried on these arms—this arms trade for a period of years, suddenly finds themselves in grave difficulty on a shipment and have to ask us for help at the very time that we are about to withdraw from the entire initiative?

Mr. NORTH. It did, sir.

Mr. MCCLURE. But nevertheless we did at some time about then begin to have further overtures from Israeli agents, and I think you have testified that Ghorbanifar was an Israeli agent.

Mr. NORTH. At least that's how he was seen by our intelligence service.

Mr. MCCLURE. So you believed at the time—the contacts—that he was an Israeli agent.

Mr. NORTH. I believed then and I believe now.

Mr. MCCLURE. —that indeed they wished this to go forward and they were trying to find a way to persuade us to go forward?

Mr. NORTH. Yes.

Mr. MCCLURE. As a matter of fact, you had meetings with Mr. Nir I believe, during the—at the end of December or early January, and nothing was said about the diversion of the funds or the use of the funds derived from arms sales with respect to the Contras; he was talking about the use of proceeds for other covert activities?

Mr. NORTH. That is correct.

Mr. MCCLURE. And the U.S. Government at that time, both yourself and others, were still saying no?

Mr. NORTH. That's correct.

Mr. MCCLURE. I think Mr. McFarlane had made a trip to London and he came away and said it is done, it is finished, this is a bad

deal, let's—don't go any further with that. That had occurred before your meeting with Mr. Nir?

Mr. NORTH. I don't recall the meeting quite as emphatically as that, but certainly Mr. McFarlane expressed reservations about continuing on if all we could get was Mr. Ghorbanifar as an intermediary.

Mr. MCCLURE. That went on through December and into January, and then sometime later you had this meeting that you refered to somewhere in Europe probably. With Mr. Ghorbanifar in the bathroom, when he suggested to you, "Hey, wouldn't it be a great idea to use the Ayatollah's money to support the Contras?"

Mr. NORTH. That's correct, sir.

Mr. MCCLURE. And that struck a spark with you?

Mr. NORTH. It did indeed.

Mr. MCCLURE. He found the right sales pitch?

Mr. NORTH. A one-two punch.

Mr. MCCLURE. With one guy.

Mr. NORTH. Yes, sir.

Mr. MCCLURE. Nevertheless that was the genesis of the connection between Iran and the Contras?

Mr. NORTH. Yes, sir, it was.

Mr. MCCLURE. In spite of the fact that some people will point to an earlier time when you had called upon General Secord and Lake Resources to help expedite the shipment in December?

Mr. NORTH. And that was the sole purpose on calling upon him in November.

Mr. MCCLURE. In November?

Mr. NORTH. Yes sir

Mr. MCCLURE. But it had nothing to do with an Iran-Contra connection at the time?

Mr. NORTH. It did not.

Mr. MCCLURE. One of the things that I can't help but turn over in my own mind that the U.S. policy was and is a neutrality—if that is the right word—between our policy toward Iran and our policy toward Iraq.

Mr. NORTH. That was our publicly stated policy, but members of the Intelligence Committee already know that we were not entirely neutral in that activity.

Mr. MCCLURE. And that that stated policy was not the same as Israel's stated policy?

Mr. NORTH. No, it was not.

Mr. MCCLURE. Part of our stated policy was also to bring about an end to the war?

Mr. NORTH. It is—was and it is.

Mr. MCCLURE. That is not Israel's stated policy?

Mr. NORTH. I'm not entirely sure, Senator, that I could clearly state what their public policy is, but clearly they were not as interested in ending the war as we were.

Mr. MCCLURE. As a matter of fact, from an Israeli standpoint, the continuation of the war that keeps Iraq occupied is to their benefit?

Mr. NORTH. That's correct.

Mr. McCLURE. And Iraq is a greater threat to them than Iran, simply because Iraq has been involved in armed conflict with Israel in the past?

Mr. NORTH. Precisely.

Mr. McCLURE. And is close to their borders?

Mr. NORTH. Yes, sir.

Mr. McCLURE. And has the largest active tank force in the Middle East?

Mr. NORTH. That is correct.

Mr. McCLURE. And if there is one thing that the Israelis have to be concerned about it is not air superiority, it is ground warfare?

Mr. NORTH. Yes, sir.

Mr. McCLURE. Ground warfare in the personage—in the use of armored vehicles, is that correct?

Mr. NORTH. Yes, sir.

Mr. McCLURE. I think the war between Iran and Iraq indicates that just masses of manpower as Iran has used are not necessarily going to dominate a war in which the other side has adequate armor?

Mr. NORTH. That is correct.

Mr. McCLURE. And so Israel's concern with Iraq has to be based upon their willingness to use arms against Israel, their past history of doing so, their current capability of doing so if the war between Iran and Iraq were to end?

Mr. NORTH. Yes, sir.

Mr. McCLURE. And it is also a fact, is it not, that the one weapon that the Israelis urged us to provide to Iran was the TOW?

Mr. NORTH. Well they were also engaged with the HAWKs.

Mr. McCLURE. But the HAWKs was as a result of a request by the Iranians?

Mr. NORTH. As best we can determine, yes, sir.

Mr. McCLURE. And the TOWs were the suggestion that we received from Israel?

Mr. NORTH. Yes, sir, it was.

Mr. McCLURE. And TOWs are an antitank weapon?

Mr. NORTH. And a darn good one.

Mr. McCLURE. That would also coincide extremely well with the concerns that Israel has with the Iraqi armor?

Mr. NORTH. Yes, sir.

Mr. McCLURE. So that if we could provide Iran with enough TOW weapons to destroy Iraqi tanks that is perfectly consistent with Israeli policy and Israeli concerns?

Mr. NORTH. Yes, sir.

Mr. McCLURE. From the standpoint of the success or failure of a policy, the failure of this policy would be extremely damaging to the United States—you discussed that—if the cover got blown and the public began to discuss what it was we were trying to do in Iran that would be damaging.

Mr. NORTH. Yes, sir. I believe it has been.

Mr. McCLURE. If the cover got blown and we were talking about the connection between this and Contra policy it would be extremely damaging?

Mr. NORTH. Yes, sir.

Mr. McCLURE. As has proven to be the case. But you discussed that and you recognize there was a tremendous downside, a tremendous risk in failure.

Mr. NORTH. Yes, sir.

Mr. McCLURE. But despite that the opportunities for success or the opportunities to move U.S. interests forward on those several different fronts outweighed the hazards of failure in your mind, or in the mind of those who were making policy?

Mr. NORTH. Yes, sir.

Mr. McCLURE. Now, to the Israelis a failure of this policy would not be nearly so damaging, would it?

Mr. NORTH. It does not appear to have been.

Mr. McCLURE. Wouldn't that be apparent at that time?

Mr. NORTH. Yes.

Mr. McCLURE. We'll try it. If it works, fine. If it fails, so what. More or less, the risks of failure on the Israeli scale of cost/benefit was far less important to them than it was apparent it would be to us.

Mr. NORTH. I could agree with that.

Mr. McCLURE. I go through that not because I have any disrespect for the Israelis at all, but I do wonder why it was that U.S. policymakers walked in step with Israeli policy and didn't respond to what were apparent inducements being offered by them at a time when the risks to them were much less than the risks to us.

Mr. NORTH. You are asking me a question that I think we all weighed and we simply estimated that the long-term benefit to us was worth the risk, the necessities were great, and having weighed all of those we decided to proceed.

Mr. McCLURE. Well, I see my time has about expired and I don't have time to detail all of the contacts that were made by various people from Israel to the United States. Mr. Schwimmer, who has been identified a number of times, I understand a man with dual citizenship, a citizen of the United States as well as a citizen of Israel——

Mr. NORTH. I was unaware of that until this time, sir.

Mr. McCLURE. He has also been in the past a registered foreign agent for the Israeli Government. Although he is sometimes portrayed as being nothing but an arms merchant, a private citizen in Israel.

Mr. Ledeen is a U.S. citizen but he shows in the early contacts and in the persuasions that were attempted to keep us involved in this process, is that not correct?

Mr. NORTH. Again, I think as I testified, Mr. Ledeen was indeed interested in the long-term benefit to the United States by pursuing this.

Mr. McCLURE. Mr. Chairman, I will not abuse you time, but I want to close with this much statement on another subject because I don't want to over-emphasize it, but I do want to state it. I agree with Senator Cohen that we should not overstate the magnitude of security leaks. That there are an awful lot of contact between the administration and the Congress in which security is maintained. Sensitive, important, with lives at risk, kinds of operations in which the Congress has fully shared the information and continues

to fully share information with no damage to the security of the people that are involved or of the policy itself.

But having said that, I think it is equally important that we not overlook the impact of the apparent insecurity on the part of the Congress with respect to the administration deciding to withhold information from the Congress in a matter of this kind. I am not going to go through a listing of all of the security leaks that have occurred and the impact that they have had upon the security of the United States, but I would like to just at least call, at least, attention for those who want a broader look at it to an article which appeared in *Readers Digest* entitled "Congress Is Crippling the CIA" by Roland Evans and Robert Novack in the November issue of the *Readers Digest*. I can't give you—I can't tell you whether that article is accurate or inaccurate. I will not either agree with all of the statements that are made or disagree, but there has been a lot of comment—there have been comments during the process of this hearing, any number of news reports that attribute information to Members of the Congress, and to Members of this committee. And it is suggested that it is wrong for us to suggest that there is a danger in selective leaking of information, there is, whether it is done by the Congress or whether it is done downtown and it is done at both ends of the street.

Mr. NORTH. I agree.

Mr. MCCLURE. By people who seek to gain an advantage in the public dialogue over questioned, not questionable, questioned public policies. And so people do indulge themselves in various kinds of comments, of leaks, of speculation. And I rather suspect without knowing it, but I rather suspect that some of those unattributed sources are simply a cover by a journalist who desires to write a story and give it credibility by saying they have a source when indeed they don't have one at all, and that makes it look like the leaks are greater than they really are.

And finally as to whether it is wrong to withhold information from the American public, I wonder how many journalists are willing to tell us what their sources are.

Mr. Chairman, finally, if you were held captive, if you were suddenly picked up as a hostage and they were to indulge you in that good old American custom of one phone call, would you call the Congress or the FBI or Colonel North?

Thank you, Mr. Chairman.

Chairman INOUYE. Senator Cohen, do you seek recognition?

Mr. COHEN. I do for one question, Mr. Chairman.

Senator McClure raised the issue and I would like to direct this to Colonel North, if I could. Senator McClure raised the issue as to whether or not the Israelis intentionally aborted the transfer of HAWK spare parts in November of 1985, in order to draw the United States into an Iranian web. And I would like to ask you, Colonel North, is there any information that the committee or the Intelligence Committees in the House and Senate have not received that would indicate that at that time in November of 1985, we were actually considering pulling out of this relationship that we had established with the Israelis in August of 1985? I am not aware of a single shred of evidence that that was the case.

Mr. NORTH. No, and I want to make sure I responded correctly to Senator McClure. There were always misgivings as you have seen in the documents that I sent forward to my superiors about proceeding with the initiative. The question I thought I was responding to was had we considered how badly and why the November initiative was so badly fouled up. I have indeed asked myself that a number of times. The conclusion I came to at the time and the—furthered us in the January Findings was the fact that there was extraordinary incompetence on the part of those engaged. First of all in the offering of something that the Iranians really didn't want; and second of all in the procedures they used to make the deliveries. Why it was that that happened, I think can possibly be explained by the people engaged in it, but there were always misgivings throughout all of this, and I think the documents I sent forward show that.

Mr. COHEN. But we had no intention of withdrawing from that plan and working with the Israelis at that time in November. The discontent as the records will reflect before the Intelligence Committees did not really set in until we started—Bud McFarlane went to meet with Mr. Ghorbanifar. We knew the Secretary of State was opposed to the transaction to begin with. But I am not aware of any evidence that we were contemplating withdrawing this relationship with the Israelis in November of 1985. I think the implication that this may have been an Israeli plot to draw us into this spider's web, I think, is not correct.

Mr. MCCLURE. Mr. Chairman, if I might respond, since it was with respect to a question that I had asked. I don't think I indicated or intended to indicate we were attempting to withdraw from a relationship with Israel. I think what I intended to imply, and I—to state and I think there is evidence that supports it, is that we were—we had about given up on the initiative with respect to Iran.

Mr. NORTH. I'm not entirely sure of that, Senator McClure. Again my operational involvement began in November and I cannot speak with certainty about how Mr. McFarlane or those that had approved the September—the August-September and then the November shipment actually felt about it at the time. I don't mean to mischaracterize how they felt about it, because my sense is there were misgivings, there was concern about proceeding, but that they didn't necessarily feel like well, this is the last chance coming up to November.

Chairman INOUYE. Chairman Hamilton.

Chairman HAMILTON. Mr. Stokes is recognized.

Mr. STOKES. Thank you, Mr. Chairman.

Colonel North, for the past several days I have heard statements that suggest to me there is confusion about why these hearings are being held and specifically, why you are here. On the day that the House adopted the resolution creating the House committee, January 7, 1987, this matter was very intelligently and articulately addressed in a speech on the floor by Congressman Dick Cheney, the ranking minority Member of the House Committee. I want to read a couple of excerpts from his speech on the floor.

Firstly he said, and I quote him, "I would like to remind my colleagues especially on this side of the aisle that we are not here today because of a plot by anyone in the Congress to create prob-

lems for the administration or for our party. No one in the Congress decided to sell arms to Iran. No one in the Congress decided to enter into negotiations for the release of hostages. No one in the Congress was involved to the best of our knowledge in the alleged diversion of funds to the Contras. We are here today because problems developed in the administration."

He then went on to say, "The President is the one who removed two senior officials from the NSC staff, called for the appointment of a special prosecutor, and urged us to create Select Committees to deal with this matter on Capitol Hill."

Then, I quote him again, where, referring to the committee being created, Mr. Cheney said this: "To give it a mandate so that it can, in fact, do what our President said that he wanted to have done, which is to get to the bottom of the matter as quickly as possible, to thoroughly investigate the allegations that have been made, and to produce for the American people a report and for this Congress that will let us make judgments, decisions, and determinations about whether any additional action is required with respect to legislation governing the conduct of U.S. foreign policy or covert operations."

He closed by saying, "It is a very important charter."

I agree with Mr. Cheney. That is a very important charter. That brings you here today. With that introduction, I would like to begin my questions.

Colonel, you have on several occasions made reference to the term "plausible deniability", with reference to covert operations. I really do not want anyone to think that that concept as you describe it has any real validity today. In fact, yesterday afternoon, you used the term in these hearings "plausible deniability." We did away with this concept that you referred to after the Church and the Pike committee investigations in the mid-1970s. That is why we have a statute that requires Findings. That is why we require that authority from the President be in writing. That is why we require that professionals conduct covert operations. That is why Congress is informed. There is no plausible denial as far as the President is concerned.

The establishment of permanent intelligence committees—oversight committees in the Congress means there is no plausible denial to Congress. What we seek to do in covert operations is to mask the role of the United States from other countries, not from our own government. Let's examine the operations that you conducted.

Mr. Ghorbanifar and his associates were aware, the Israelis were aware, Mr. Kashoggi, Mr. Furmark were aware. International arms dealers knew. The Iranians knew. When you went to Tehran in May, all the Iranians knew your identity and that of Mr. McFarlane. When you brought the second channel to the United States you gave them a midnight tour of the White House. You even had President Reagan inscribe a bible for presentation to the Iranians.

So there was no plausible denial as far as these outsiders were concerned. Our sworn enemies knew and eventually, I believe, they exposed our covert arms sales. So my question is didn't anyone involved in this operation ever say that all of our cutouts and secrecy

won't work? That plausible denial couldn't protect us? There would be those who did know, who eventually would betray us?

Mr. NORTH. Congressman Stokes, I would beg to differ. I think in the case of the assistance to the Nicaraguan Democratic Resistance, which began in 1984 and continued on until my tenure was completed at the NSC, we did conduct an activity of plausible deniability. Charges can be made and they don't have to be confirmed. And, indeed, it succeeded.

The local governments that were providing assistance, the agents who operated inside Nicaragua, the Europeans who assisted us, are still indeed in many cases protected. To a certain extent that is part of plausible deniability.

The fact that there was a person who was prepared at the time to accept the responsibility and be discharged, to provide the kind of international and domestic political protection for the President, had there not been criminal charges, could well have proceeded.

And my answer to you is that I think that plausible deniability is still a factor; whether we are talking about plausible deniability for the President or the Executive Branch or the whole involvement of the Government of the United States is still an issue that needs to be considered in any of these activities.

So I guess what I am saying to you is, yes, there were always foreigners who were aware. There are foreigners who are aware in almost every one of our covert operations undertaken that are approved by your committee. When your committee approves a covert action Finding signed by the President, the expectation is that the role of the Government of the United States is not to be revealed.

Mr. STOKES. That is correct.

Mr. NORTH. It is part of——

Mr. STOKES. Another country, not the United States.

Mr. NORTH. I beg to differ, sir. We almost invariably rely upon the assistance of foreign governments, foreign personnel, to carry out those activities. You and I know that. We have briefed those activities to the committees.

What I am saying to you is the expectation is that they will not indeed be revealed and the role and activities of the United States will not be revealed. That is indeed part of plausible deniability.

Mr. STOKES. Colonel, the only thing I am saying in terms of your plausible deniability here, the only persons to whom you were denying plausibility were Americans; all the foreigners knew who you were.

Mr. NORTH. But they didn't. Congressman Stokes, that is precisely my point.

The Sandinistas—and this goes to the heart of one of the other questions earlier and to the slide showing Lourdes, Cuba. Director Casey was confident that the information about my role and the telephone calls being made back and forth to my telephone in the White House, or at the Old Executive Office Building, were intercepted at Lourdes, Cuba, and that two reporters specifically were provided with that information and they used that information to start a whole plethora of articles about my activities, which indeed compromised the operation, but because it was never confirmed the Sandinistas never succeeded in shutting down the supply line to the Resistance.

The same thing obtains in the case of the Iranian operation. Yes, there were foreigners involved, but all Iranians didn't know, or there would have been another revolution in Iran. All Europeans didn't know. The Israelis knew and—certain Israelis knew. That is, after all, the essence of the operation.

It wasn't done as a means of simply keeping it from the Congress. The effort was made to conceal the operation, and I have testified here for 6 days on why I did what I did, and I think the record is very clear on that.

I'm not asking you necessarily agree with it. I am simply giving you the facts as I knew them at the time, and you can make your judgments on them.

But the plausible deniability was a factor in what I did and what I was approved to do.

Mr. STOKES. Colonel, in another area, on March 6, 1985, an arms depot in Managua, Nicaragua, was destroyed by an explosion.

What was your role in arranging for the explosion?

Mr. NORTH. I personally had no role in it whatsoever. It is my understanding that foreign operatives were engaged in that activity and assisted therein. We talked to that in the executive session the other night, sir.

Mr. STOKES. I am not going to get into classified materials. This is different.

Was David Walker hired to conduct that operation?

Mr. NORTH. David Walker was not hired to conduct any specific operation—certainly not by me. Mr. Walker was engaged to provide operational support for certain activities in the region, as I understand it, and I do not know the contractual relationship he had with anyone in those activities.

Mr. STOKES. Who paid Mr. Walker for conducting that operation?

Mr. NORTH. It is my understanding—and I do not want to speak with absolute definity on it—you have seen the documents that I provided to the committee, or that were provided to the committee from my files. It is my understanding that he was paid by the Nicaraguan Resistance or by General Secord.

Mr. STOKES. Did you have to arrange any type of approval in conjunction with his work there?

Mr. NORTH. I am quite certain that I sought the approval of my superiors. I don't recall the specific event. But when Mr. Walker's advice and counsel was sought on those kinds of activities, I am sure that I informed my superiors.

Mr. STOKES. And by your superiors, to whom do you refer?

Mr. NORTH. I am talking specifically—and I do not recall when Mr. Walker was first engaged to provide assistance—if it was 1984, it would have been Mr. McFarlane; if it was 1985, it would have been Admiral Poindexter.

I would simply have advised him that he was being brought in as the person to provide that kind of assistance.

Mr. STOKES. Did you seek approval——

Mr. NORTH. When I say "he," I am not so much referring to he personally as—his organization—people that he would hire, et cetera.

Mr. STOKES. Did you seek approval beyond either Mr. McFarlane or Mr. Poindexter?

Mr. NORTH. No. As I have testified throughout, those were the people to whom I reported. I am sure that I gave indication to Director Casey that this had been done. Other than that, no different than I have testified, sir.

Mr. STOKES. Was there any discussion with your superiors about the possibility that this action might violate the Boland Amendment?

Mr. NORTH. No. I don't recall any such discussion. And, furthermore, I don't recall any specific planning on my part for that specific activity—prior to its—the event.

Mr. STOKES. Colonel, your full-service covert operation sounds to me a great deal like what is known as the CIA's reserve-for-contingencies fund.

You are aware of that fund, aren't you?

Mr. NORTH. I am, sir.

Mr. STOKES. You know that is a fund that we appropriate. It is authorized under the Intelligence Committees of the House and the Senate. It is a fund where the President can spend from that fund and not have to account to the Congress for his expenditures; is that correct?

Mr. NORTH. I am not quite certain of the last part of it.

I believe that those funds all have to be identified. My understanding, Mr. Chairman, was that when the Agency expended those funds, they had to then and they have to today report to your committee and to Senator Boren's committee how those funds are being expended.

That was my understanding, anyway.

Mr. STOKES. Yes, but they don't have to come to us to seek approval of it—that's what I am saying—once we appropriate that funding for them.

Mr. NORTH. But it was also my understanding that in the case of the Boland proscriptions going all the way back to 1984, when we sought the release of reserve funds to continue support during the summer of 1984, that that release was forbidden.

Mr. STOKES. Let me tell you what I think the difference is between the CIA's reserve for contingencies and your operation.

That contingency fund requires the approval of the President. It requires review by the NSC and notification to Congress.

Your covert operation was different. Your operation had no Presidential approval, it had no Finding. All the covert operations that I know of had Findings. Your covert operation had no financial accountability. That is not true of any covert action that I am aware of, run by the CIA.

Your covert operation generated and spent funds for projects that were not the subject of appropriation requests. Finally, your covert operation was not subject to oversight by the Congress, by the statutory members of the National Security Council, and according to your account, by the President.

So wasn't the basic difference between your covert operation and the reserve for contingencies, that yours was outside the framework of government, and the reserve, with all of its flexibility, is within the framework of government?

Mr. NORTH. I guess my problem in answering that, Mr. Chairman, is that having testified for 5½ days as to what I did, and how

it was done, and the way it was all conducted, I'm sure that you are going to draw conclusions like the one you've just drawn.

But I find myself in a difficult spot trying to summarize 5½ days of testimony. There is no doubt about what you say if those are the regulations pertaining to the reserve for contingencies. I have tried to describe to you the authorities I sought to conduct the activities I did. If that is outside the U.S. Government in your view, I am sure that is the conclusion that will—obtain.

In the case of the activities that we conducted, I sought and thought I had, the approval to do what we did. Using non-U.S. Government entities to carry them out.

Mr. STOKES. Colonel, at the beginning of your testimony, you told us that you came to tell the truth, the good, the bad, and the ugly. And I want to commend you for keeping your word.

I think is has been good; I think it has been bad; and I think it has been ugly.

I suppose that what has been most disturbing to me about your testimony is the ugly part. In fact, it has been more than ugly. It has been chilling and, in fact, frightening. I am not talking just about your part in this, but the entire scenario, about government officials who plotted and conspired, who set up a straw man, a fall guy; officials who lied, misrepresented, and deceived. Officials who planned to superimpose upon our government a layer outside of our government shrouded in secrecy and only accountable to the conspirators.

I could go on and on. But we both know the testimony, and it is ugly. In my opinion, it is a prescription for anarchy in a democratic society.

In the course of your testimony, I have thought often about the honor code at the U.S. Naval Academy. For 19, now almost 20 years, I have appointed young men to that academy. I have always taken great pride in those appointees knowing that they would be imbued with the highest standard of honor, duty, and responsibility toward their government.

The academy catalog speaks of the honor concept as being more than an administrative device, that it fosters the development of lasting and moral principles.

It becomes part and parcel of the professionalism expected of graduates as commissioned officers.

But more than that, I think of the young students all over America who are sitting in civic and government courses.

You said many times that you worry about the damage these hearings are creating for the United States around the world. I worry, Colonel, about the damage to the children of America, the future leaders of America.

I worry about how we tell them that the ugly things you have told us about in our government is not the way American Government is conducted. That is not our democracy's finest hour.

And then lastly, Colonel, I was touched yesterday by the eloquence of Senator Mitchell who spoke so poignantly about the rule of law and what our Constitution means to immigrants.

He spoke eloquently of how all Americans are equal under our law.

Senator Mitchell's words meant a great deal to another class of Americans, blacks and minorities, because unlike immigrants, they have not always enjoyed full privileges of justice and equality under the Constitution which we now celebrate in its 200th year.

If any class of Americans understand and appreciate the rule of law, the judicial process, and constitutional law, it is those who have had to use that process to come from a status of non-persons in American law to a status of equality under the law.

We had to abide by the slow and arduous process of abiding by law until we could change the law through the judicial process.

In fact, colonel, as I sit here this morning looking at you in your uniform, I cannot help but remember that I wore the uniform of this country in World War II in a segregated army.

I wore it as proudly as you do, even though our government required black and white soldiers in the same army to live, sleep, eat, and travel separate and apart while fighting and dying for our country. But because of the rule of law, today's servicemen in America suffer no such indignity.

Similar to Senator Mitchell's humble beginnings, my mother, a widow, raised two boys. She had an eighth grade education, she was a domestic worker who scrubbed floors. One son became the first black Mayor of a major American city. The other sits here today as Chairman of the House Intelligence Committee.

Only in America, Colonel North. Only in America.

And while I admire your love for America, I hope, too, that you will never forget that others, too, love America just as much as you do and that others, too, will die for America, just as quick as you will.

Thank you, Mr. Chairman.

Chairman INOUYE. I thank you very much.

The Chair is pleased to recognize the gentleman from Georgia, Senator Nunn.

Mr. NUNN. Thank you very much, Mr. Chairman.

Colonel North, it may have been covered during these proceedings and I may have missed it, but I have never heard the answer to a question that I think is rather important before we get testimony from Admiral Poindexter. And that is, was, to the best of your knowledge, was Admiral Poindexter aware that Director Casey of the CIA knew about the—what we have called the diversion, what you called residual fund for the Contras?

Mr. NORTH. I'm—I gather you are asking me to——

Mr. NUNN. In other words, we know that Admiral Poindexter knew.

Mr. NORTH. Yes, sir.

Mr. NUNN. We know that Director Casey knew by your testimony.

The question I have, did Admiral Poindexter—was he aware that Director Casey knew about the residual funds?

Mr. NORTH. I believe that he did know that I—he being Admiral Poindexter—knew that I had talked at length with Director Casey about it, although I don't recall the specific discussion with the Admiral.

Mr. NUNN. You think that he knew but you don't recall a specific discussion?

Mr. NORTH. No, sir, I do not.

Mr. NUNN. Your general impression, your best recollection is that he would have known?

Mr. NORTH. Yes, sir. But I would have told him that I told—and talked to Director Casey at length about it.

Mr. NUNN. And, of course, Director Casey knew that Admiral Poindexter knew?

Mr. NORTH. Yes, sir, he did.

Mr. NUNN. Colonel, there is an article that just came to my attention this morning, as a matter of fact, in the *Los Angeles Times* dated July 11, 1987. Just so you and your counsel can take a look at it, I am going to quote one paragraph in here. I will send it to you and let you take a look at it.

It is a rather short article, and it says—the caption is "Robertson says North told him of Iran hostage talks."

Going down to a paragraph which I have circled and labeled 1, quoting from the article, and this is a quote of Reverend Robertson, " 'We just happened to bump into each other,' Robertson said about his encounter with North on September 13, 1985, 'at a private air terminal in Washington. He just happened to say, 'I'm going to Iran to meet some of the leadership to try to negotiate the release of some of our hostages.' "

My question, Colonel North, did you—do you recall that conversation with Reverend Robertson?

Mr. NORTH. I do not, sir.

I would also note that it goes on to say that North asked the Reverend Robertson to pray for me. I have done that often. I am grateful for the prayers of many.

I do not recall that conversation. I also note that if it was September 13, 1985, it is well before we had made those plans. I don't believe that we actually addressed plans to go to Tehran until February of 1986.

Mr. NUNN. So you wouldn't have been going to Iran at that time?

Mr. NORTH. Sir, I only went once. That was in May of 1986.

My recollection is that those plans were laid down actually for two trips in February of 1986, during our first meetings face to face with the Iranian Government officials.

Mr. NUNN. So really this is an erroneous article and Reverend Robertson's memory is not correct on this point?

Mr. NORTH. I am not even sure it is a quote from Reverend Robertson.

Mr. NUNN. Well, if it is, because I don't know either. I am just judging. But if it is an accurate quote, it is in error?

Mr. NORTH. It is in error, sir.

Mr. NUNN. Thank you.

Colonel North, I think the thing that has impressed this committee Members, most of them, many of them, and the American people more than anything else by your 5½ days of testimony is the unequivocal statement that you made at the beginning, and you backed it up throughout with your testimony, where you state, "I never carried out a single act, not one, Mr. Nields, in which I did not have the authority from my superiors. I haven't been in the 23 years that I have been in the uniformed service of the United

States—I haven't in 23 years I have been in the uniformed service of the U.S. of America ever violated an order, not one."

That was a very impressive statement and you backed it up in your testimony. My problem at this stage is how we reconcile some of this with some of the previous testimony, and I would like to give you an opportunity to do that, because I think if it's one thing that most people agree with in this country, it is that people at the lower end of the overall chain of command should not take the blame for problems that originated and orders that were carried out in good faith from those above them.

We are going to hear from Mr. McFarlane this afternoon and I want to go over just briefly with you a few of the things that appear to me to, and at least be on their face, be contradictions between your testimony and his previous testimony.

Mr. McFarlane testified he had no knowledge of your activities with the private group raising funds for the Contras. Specifically, quoting from his testimony, Mr. Liman asked him: "Were you involved at all in the activities of the Channell group to obtain moneys from the Contras?"

Mr. McFarlane replied: "No, I wasn't."

Mr. Liman went on: "Did you know that Colonel North was involved with them?"

Mr. McFarlane answered: "No, I didn't."

Now, could I ask you, Colonel North, if Mr. McFarlane is correct on that point or was he in error?

Mr. NORTH. Senator Nunn, I have over 5½ days, in some very difficult testimony, testified as to what I did and the authorities that I had to do it as I understood them.

One of the most difficult positions that a person can be in is to be in a situation where they are forced to contradict the testimony of anyone. I believe that within the volumes, as Mr. Liman has described them, of documents that were taken from my office is ample evidence that I sought approval from my superiors, that I kept them fully informed, and that I did nothing without permission. And I want that made very clear.

I did not come here to impugn the testimony of others. I did not come here to contradict others. But I have told you honestly and straightforwardly what I did. Some of it has been very, very unpleasant for me, as I am sure you know, and very difficult.

Mr. NUNN. Did you get authority from Mr. McFarlane for the activities in fundraising?

Mr. NORTH. There was never a speech that I made or a presentation I made that I didn't get approval to actually conduct that.

Mr. NUNN. Let me go on.

Mr. McFarlane testified that he did not know that you went to Florida in July of 1985, on a government plane to meet with Calero, Bermudez, and Secord concerning the airlift.

The specific testimony, Mr. Liman says: "Were you aware, sir, that Colonel North was holding that meeting or attending that meeting?

"Mr. McFarlane: No, I wasn't."

Do you remember getting authority from Mr. McFarlane on that or informing him of that?

Mr. NORTH. Yes, sir, I do.

Mr. NUNN. So that statement is in error?
Mr. NORTH. 1985?
Mr. NUNN. July of '85.
Mr. NORTH. Yes, sir.
Mr. NUNN. So you had authority on that?
Mr. NORTH. Yes, sir.
Mr. NUNN. Mr. McFarlane testified also that he did not know that you had asked General Secord to undertake the airlift effort.
Quoting from that testimony, Mr. Liman said: "Did he ever tell you that he was turning to General Secord to undertake that mission?
"Mr. McFarlane: No, he didn't."
Do you recall consulting or letting Mr. McFarlane know what you were doing in that regard?
Mr. NORTH. Yes, sir.
Mr. NUNN. So that's in error?
Mr. NORTH. Those are your conclusions.
Mr. SULLIVAN. Mr. Chairman, I think it is unfair to ask——
Mr. NUNN. I will withdraw the last question.
Mr. SULLIVAN. Thank you.
Mr. NUNN. Mr. McFarlane testified that he did not know that you had instructed Ambassador Tambs to open up the Southern Front. Did you inform Mr. McFarlane that you were asking Ambassador Tambs to open up the Southern Front?
Mr. NORTH. Yes, sir.
Mr. NUNN. So you had specific authority from Mr. McFarlane in respect to the airlift and General Secord's participation therein?
Mr. NORTH. Everything that I have testified to, Senator Nunn, is exactly the way it happened. Everything.
Mr. NUNN. The one other point I wanted to ask along this line. Is it clear in your mind that you never received instructions from Mr. McFarlane in regard to soliciting contributions?
I believe that he testified very clearly—I won't read all of it—that he did give instructions to his staff in the NSC not to in any way solicit contributions for the Contras.
Mr. NORTH. And I never solicited contributions.
Mr. NUNN. I understand that.
The question really is—you made that very clear—did you get those instructions from him? Do you remember receiving those instructions?
Mr. NORTH. I may have been told to separate myself from dollar operations, or however one calls it, but I was very much of the understanding that I personally would not sit and solicit.
Every single activity that I conducted, as I described them to this committee, I conducted with the authority of my superiors. And to this day, Senator Nunn, I do not believe any of them to be illegal. I didn't then. I don't now.
Mr. NUNN. I understand that completely.
Turning to another subject, and this gets to a—testimony you gave I believe last Wednesday, you expressed "grave reservations"—and this goes to the timeframe at the end of '85—1985 or early 1986, quoting you, page 33, of your testimony—"grave reservations about the state of the negotiations at that point with the Iranians," and so forth, relating to the overall initiative.

You stated, "In that meeting, I expressed our grave reservations as to how the structure, which at that point in time focused on several thousand TOWs, would result in what we wanted and what we wanted were laid out very clearly in the January Findings."

Do you recall that——

Mr. NORTH. Yes. The meeting I am referring to, I believe—and I would have to look at the testimony, but certainly my recollection is the meeting I was referring to was a meeting with the Iranians, probably Mr. Ghorbanifar.

Mr. NUNN. Right. That's correct.

Mr. NORTH. And that was probably the January 20 or 17 or 30, or whatever that meeting was at the end of January.

Mr. NUNN. Of '86?

Mr. NORTH. Yes, sir.

Mr. NUNN. Was Mr. Nir at that meeting? Mr. Nir at that meeting?

Mr. NORTH. Yes, he was.

Mr. NUNN. When you say you had grave reservations at that time, Colonel North, about the plan and whether it would achieve the Findings, which Findings did you have reservations about the likelihood of achievement at that stage?

Mr. NORTH. The January 6th or 17th Finding.

Mr. NUNN. Was that where the President set forth his goals of, I believe you described it as a strategic breakthrough in relations with Iran as one goal; to end the Iran-Iraq War as another goal; and get the hostages back as a third goal?

Mr. NORTH. If you are not asking me to quote directly from a Finding, I don't have it in front of me, yes. And to rescue American hostages also.

Mr. NUNN. I listed that as the third goal.

Mr. NORTH. Yes, sir.

Chairman INOUYE. May I interrupt at this point? There is a vote pending in the House of Representatives. Members of the House will have to leave.

Please proceed.

Mr. NUNN. Thank you, Mr. Chairman.

At that time you had reservations about the likelihood of achieving those three goals, is that what you are saying here in this quote?

Mr. NORTH. Well the—the concerns I had was that we weren't getting to meet with the Iranian officials that we sought to meet face to face with. And I was instructed to express those concerns and I did so.

Mr. NUNN. Well, you stated here you had grave reservations as to how this would result in achieving what you were trying to achieve in the January Finding. So you were concerned that the way it was going, you weren't going to be able to achieve those goals, so it really wasn't going the way you had hoped; is that right?

Mr. NORTH. That is correct.

Mr. NUNN. Now, then you testified at that same meeting Mr. Ghorbanifar "took me into the bathroom and suggested several incentives to make the February transaction work and the attractive

incentive for me was the one he made that residuals could flow to support the Nicaraguan Resistance."

Do you recall that testimony?

Mr. NORTH. Yes, sir.

Mr. NUNN. You mentioned several incentives.

Do you recall any of the other incentives besides that?

Mr. NORTH. I recall one specifically.

Mr. NUNN. We have gotten that one; is that right?

Mr. NORTH. No, in addition. That was Mr. Ghorbanifar offered me a million dollars if we could make this prosper.

Mr. NUNN. To you personally?

Mr. NORTH. Yes, sir.

Mr. NUNN. So he offered a bribe to you right there on the spot?

Mr. NORTH. Yes, sir.

Mr. NUNN. Tell us what you said in response to that.

Mr. NORTH. It was out of the question.

Mr. NUNN. You told him you would not accept any financial favors?

Mr. NORTH. Could not, would not, and that if those kinds of discussions pursued that, he would be out of the picture very quickly. It was then that he came up with what I considered to be a far better idea.

Mr. NUNN. Were there any other incentives besides the two that we now know about?

Mr. NORTH. He talked in terms of other operations that his people, whoever they were, could provide in terms of support for the United States.

Mr. NUNN. When you came back after that meeting, at that stage he had put something on the table that was of real interest to you?

Mr. NORTH. Not the million dollars.

Mr. NUNN. Not the million dollars. I got that very clearly. When you came back, did you report to your superiors about the million-dollar-bribe offer?

Mr. NORTH. No. We knew what Ghorbanifar was and everybody involved in it and what baksheesh is. It was expected. Actually, it wasn't expected, it was not unexpected.

Mr. NUNN. Did you tell General Secord or anyone of that conversation?

Mr. NORTH. I don't believe General Secord was with me at that meeting. I think I may have described it to one of the CIA officers. I honestly don't remember.

Mr. NUNN. You didn't report it to any of your superiors when you came back?

Mr. NORTH. I may have. I don't recall, sir.

Mr. NUNN. Now, the real point I want to get to, is, when you came back obviously your perspective had changed somewhat. You were not very optimistic at that stage about achieving those original Finding goals, but you had become more optimistic and more enthused because of the new incentive of being able to create a residual?

Mr. NORTH. And, I want to go back for just one moment to clear up the record if there is confusion.

The original proposal for the creation of residuals came from Mr. Nir, and that was to conduct other operations and to replenish the Israeli TOWs that had been shipped the year before.

Mr. NUNN. Correct, right I think you've testified——

Mr. NORTH. Later in January at the meeting in—I can find out, I think it was either London or Frankfurt, I am sure—when Mr. Ghorbanifar suggested his incentives, he also coupled that with a promise of a meeting in February with Iranian officials, and so for those two reasons, the promise of a meeting with Iranian officials and the attractiveness of what I saw as the use of residuals to support the Resistance, I came back and advocated that we pursue the initiative.

Mr. NUNN. At that point, did you make it plain to Admiral Poindexter, who I believe was in charge of—he was your superior at that time?

Mr. NORTH. Yes, sir.

Mr. NUNN. Did you make it plain to him that one of the main reasons you were more enthused at this stage was based on the residual possibility?

Mr. NORTH. Yes, I am sure that I told him, look; the meeting in London has resulted in two things, if not several other arrangements that were logistically improved in terms of how you do things, but those two principal factors.

Mr. NUNN. Could you repeat those just for clarity here?

Mr. NORTH. The two factors?

Mr. NUNN. Yes.

Mr. NORTH. One, the use of residuals to support the Nicaraguan Resistance, and No. 2, the promise of a direct face-to-face meeting with Iranian officials, which indeed took place.

Mr. NUNN. You are clear that you told Admiral Poindexter that. Did you tell him orally or in writing or both, or do you recall?

Mr. NORTH. I don't recall, but I am confident——

Mr. NUNN. There is no doubt that you told him about both of those at that stage?

Mr. NORTH. There is no doubt in my mind.

Mr. NUNN. Wouldn't you think at that stage, Colonel North, that Admiral Poindexter had an acute obligation to share that with the President of the United States?

Mr. NORTH. Well, as I have—that is kind of like the other question you asked me, Senator. I have testified again as to what I knew and what I assumed others knew and what others told me to do.

You are asking me to put myself in Admiral Poindexter's——

Mr. NUNN. Let me rephrase the question.

Mr. SULLIVAN. Excuse me.

Mr. NUNN. May I rephrase the question.

Mr. SULLIVAN. I don't know whether you saw the red light sir.

Mr. NUNN. I did, and I have a secret signal up there with the chairman. He gave me two more minutes. We had it worked out. Thank you for helping us.

Colonel North, did you expect—it seems to me that was a very important—kind of—new dimension to those—to the original Finding, both of those matters—both of those two things I think were very important. You properly told Admiral Poindexter. Didn't you

expect that the President of the United States would be informed about those two new incentives?

Mr. NORTH. Yes. Again, as I said, I had expectations throughout my tenure that when it was appropriate that my superiors solicit and obtain the President's permission to do things, that they had done so. And I proceeded throughout my tenure that way.

Mr. NUNN. Thank you. I think that was an appropriate assumption because it seems to me it was enormously important since the original Finding, the principal operations officer out there had become less optimistic about the original goals of that January Finding and the principal operations officer had become more enthusiastic because of two new incentives, it seems to me that there was an imperative obligation on Admiral Poindexter to convey that to the President of the United States. That's all.

Colonel North, thank you for your patience. I want to thank your wife also for her patience during this proceeding. I know she has been there the whole time and she had been very loyal to you and I am sure you are enormously grateful for that.

Mr. NORTH. Amen.

Mr. NUNN. We thank you.

Chairman INOUYE. I wish to announce we have remaining Congressmen McCollum, Boland, DeWine, and the chairman of the House Select Committee, Mr. Hamilton, also Mr. Trible has 20 minutes remaining and I intend to say a few words also.

As all of you recall, before we began the questioning of our witness, I announced that once we complete the first round, those wishing to question for the second time may do so.

I have been asked by two Members, one in the House and the Senate, to be given an opportunity to propound a few questions. Accordingly, according to that, it would appear that we have approximately 2 hours remaining.

Therefore, instead of torturing ourselves, I will be calling a recess until 2:00 p.m. this afternoon.

[Whereupon, at 12:13 p.m., the Select Committees recessed, to reconvene at 2:00 p.m., the same day.]

AFTERNOON SESSION

The Select Committees met, pursuant to recess, at 2:00 p.m., in room 325, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the Senate Select Committee) and Hon. Lee H. Hamilton (chairman of the House Select Committee) presiding.

Chairman INOUYE. The hearing will please come to order.

Chairman Hamilton?

Chairman HAMILTON. The Chairman recognizes Mr. McCollum.

Mr. MCCOLLUM. Thank you, Mr. Chairman.

Colonel North, you have very eloquently described for us in some detail on more than one occasion during these 5½, now stretching into 6 days the difficulties that this country is going to encounter if in fact the Sandinista Government remains unchecked and the Contras are not supported.

I think you have made it abundantly clear, in both your own presentation and in answer to questions that were raised this morning regarding some of the slides you had with you, that if

indeed the Contras are not able to put a check on the Sandinistas, they are going to continue to assist revolutionaries of Communist persuasion in the neighboring democracies, they are continue to spread that communism and ultimately your concern is—I think you very eloquently expressed the other day, is that some day, some place, somewhere, the United States young men and women in our Armed Forces are going to die to stop that spread of communism. And that indeed if we were to proceed to support the Contras as you have suggested maybe, just maybe, that would not be necessary for our national security.

I have a series of unclassified State Department cables that I want to put in the record. They deal with Radio Venceremos and I would like to do that to augment some of the things you have said.

Could you tell us for the record what Radio Venceremos is?

Mr. NORTH. Radio Venceremos is the voice of the FNLN guerrillas in El Salvador. It has been broadcasting from Managua since at least the early 80's. It provides the propaganda, the command and control and instructional capacity for the FNLN.

It has also been noted that Radio Venceremos uses Soviet Bloc retransmitters to appear to be broadcasting from inside El Salvador. But in point of fact, the programming, the direction, the specific content of all of it probably originates in Cuba. Certainly it comes out of Nicaragua.

Mr. MCCOLLUM. Colonel North, we talked a lot this morning about the ugly. I want to read you something that I really think is ugly, that came out of Radio Venceremos. It is from one of the cables. The cable is dated January 29, 1986.

The text of that is, quoting from a Radio Venceremos broadcast earlier that date, "The U.S. Space Shuttle Challenger exploded on Tuesday morning, one minute and twenty-seven seconds after it had taken off from Cape Canaveral, Florida, and the seven astronauts on board the space shuttle were killed. The U.S. failure in the space shuttle project, marked by the Challenger's accident, represents an overwhelming blow to so-called star wars.

"The United States wanted to use outer space for military purposes through this program. Reagan has announced that all the flights to outer space have been suspended.

"In addition, two members of the Challenger's crew worked as pilots in the Vietnam War, in other words, they were two killers who sowed napalm in the martyrized Vietnamese land. Given that the Challenger ostentatious failure represents an overwhelming blow to the U.S. Government's plans to extend the war in outer space, and given that two war criminals have died aboard the Challenger, we share the happiness felt by those who reject and condemn the U.S. imperialism war mongering policy."

To me, Colonel North, that is ugly. And to me that represents the nature of the threat that we have to deal with that unfortunately too many Americans don't fully realize.

Mr. Chairman, I would like at this time to ask unanimous consent to enter into the record these seven unclassified State Department cables dealing with Radio Venceremos.

[The information appears at p. 1392.]

Chairman INOUYE. Without objection, so ordered.

Mr. MCCOLLUM. Colonel North, we also have had quite a bit of discussion about what we can do to be constructive. I am glad frankly to see after all these days of these hearings to finally get some of our colleagues on this panel, and with your help and your prodding to think about not just asking you facts, but trying to come up with some things we can do to bridge that gap to get that trust back in that mutual trust in the intelligence area and in our sensitive matter areas that you have pointed to very much in the last few days as a critical problem.

In the process of this, there has been some discussion of a manner or a procedure that exists presently for the President, for the administration to notify a small group of eight of the House leadership and the Senate leadership and the chairman of the two Intelligence Committees whenever they want to talk about something that is really sensitive without calling the whole committee in.

What bothers me about that a little bit is that I know in the past that some of the committee chairmen occasionally have refused to hear some of those briefings.

I chatted with Senator Boren—I wish he were here at this moment, he is not, I have chatted with him because I sit beside him quite a bit—and I know that he has made a point since he has been chairman and I am sure Chairman Stokes is probably making the same point to hear those briefings. But it is my understanding there is no law that compels them to do that and if they do not hear those briefings, if they do not accept the offer of the administration to brief them on these sensitive matters, oftentimes those policies either aren't carried out or the briefings are stopped to the other side because there is a feeling that that is unfair.

I am sure that you would agree with me that we would all be better off if every time the administration asked for a briefing to be given, asked that it be received by the chairmen of the Intelligence Committees of these bodies, that they aquiesced and agreed and had listened, even if they didn't agree with what they heard.

Would you not agree that ought to be done?

Mr. NORTH. I would agree, sir.

Mr. MCCOLLUM. I would like to move on to one other thing. Speaking of being constructive, we have a situation now where the Soviet Union, as I perceive it, and I have read quite a bit about this, has a fairly simple and flexible and indeed a massive special operations program. The United States has a special operations program obviously, and it's pretty big, but it is decentralized. And some of my colleagues on this committee urged Senator Nunn, Senator Cohen, Members in the House like Mr. Daniels, that we establish in the Department of Defense an assistant secretary of Defense for Special Operations in low-intensity conflict, and that law passed, that became law—was signed into law. Months have gone by now and we still do not have a person appointed as that assistant secretary of Defense. We still do not have that plan being implemented by the Department of Defense.

Would it not improve the situation, as you see it, in dealing with things like the Iranian hostage situation and the situations you faced in so many occassions in Central America with this low-in-

tensity conflict, to have a more orderly process not only established on the books but in reality over at the Department of Defense?

Mr. NORTH. Congressman McCollum, 8 months ago I would have been more than pleased to answer that question. I am now a lieutenant colonel assigned to the United States Marine Corps, and I don't want to start sounding like I am critical of current activities. I would just as soon stick to my answers on the subjects.

Mr. MCCOLLUM. Well, let me ask you this question. Eight months ago and before that were you not—you were supportive of this?

Mr. NORTH. Yes, sir. I was.

Mr. MCCOLLUM. I have in front of me a special study that was done entitled "United States and Soviet Special Operations." It's a study by the Congressional Research Service of the Library of Congress, prepared at the request of the Special Operations Panel, the Readiness Subcommittee of the Committee on Armed Services of the House of Representatives, dated this April, April 28. I think it lays it out. I think it lays it out. I think every American ought to read this study, and I would like to ask unanimous consent, Mr. Chairman, to place this study into the record.

Chairman INOUYE. Without objection, so ordered.

[The study appears at p. 1403.]

Mr. MCCOLLUM. Thank you. You told us yesterday about an occasion in Central America where you were with the Vice President, and he was presented with a situation where there were some armed men that were there and he wanted to meet with them. I think maybe his Secret Service were a little dubious about it, but he insisted on meeting with them. And you told us that that was one of the most courageous things you had seen anybody do, especially a Vice President, and you related some of the things that went on there. But I think you dropped that one a little bit like Paul Harvey on his newscast. I would like to hear the rest of the story. What happened, what came of that meeting? That was about something going on down there you told us, and I am sure you didn't relize it, but you didn't quite finish that story. You didn't tell us what the product of that meeting was. Could you go back over that briefly and do that?

Mr. NORTH. The Vice President's trip in December of 1983 came at the midpoint, if you will, or near the midpoint of our efforts to bring about a—the support for a full democratization in El Salvador. You will recall that President Magana had accepted a two-year provisional presidency. We had been working very closely with President Magana to have national elections.

There was, as many will recall, a great deal of polarity which existed in El Salvador. There were death squads that were active. Some of those were as a consequence of opposition from both extremes in the political spectrum. The Congress had imposed certain constraints on our ability to provide security assistance and even economic aid to El Salvador under those conditions, and it was decided that the Vice President would stop in El Salvador in return from the inaugural of the President of Argentina, and he did so.

The specific purpose for that meeting was to insist that the human rights reforms, the judicial reform, the cleaning up of the death squads, which we had been working on assiduously, indeed

did occur, and that the elections which were promised for later in the spring did indeed occur.

The consequence of that was probably the most popular turnout for an election, that has ever occured in a free country. It is easy to get turnouts for elections in the Soviet Union where everybody votes for the party official that's nominated, but in El Salvador the people of El Salvador turned out for an election in which they were threatened by the guerrillas that if they voted, they would die. The fact that those elections occurred, that the human rights reforms we had been pushing for and that many Members of the Congress had been pushing for, and that the judicial reform which we had been working on so hard, and that the death squad activity which we had been trying to get stopped, all of that happened as a result of those initiatives, and the capstone of those initiatives was the Vice President's trip.

When we arrived in El Salvador, the Vice President made it clear that he wanted to meet with the military leadership as well as the civilian leadership, and he did so. The event I described was a late afternoon meeting, well after the Vice President was due to leave the country, and against the advice of his Secret Service detail and others with the party. He, Ambassador Motley, his chief of staff, Admiral Dan Murphy, and I met with those 32 military leaders, some of whom were very, very much opposed to our policy. And as I indicated, many of them were armed—his Secret Service detail was very concerned about that.

The Vice President's points that he made in that meeting which I think, kind of like the Jay Treaty, need not be repeated here in public because they were the communications approved by the President of the United States, transmitted to another head of state, but they were very forcefully delivered in a very straightforward manner, and making it clear that we could not and we would not continue to support the process in El Salvador if they would not take the steps we had indicated.

Mr. MCCOLLUM. And they took them and they had the elections, and that is why in large measure we have some form of democracy in Central America today?

Mr. NORTH. As a matter of fact, Mr. McCollum, if I can say one thing. One of the sad facts of lack of education of the American people is that many people in this country still don't know that El Salvador is a democracy today. It isn't ruled by a military junta. Neither is Honduras, neither is Costa Rica and neither Guatemala, and those things have occurred since Ronald Reagan has been President and they have occurred because of an insistence on democracy. The only country in Central America today that isn't a democracy is Nicaragua.

Mr. MCCOLLUM. Let me change the subject. I hate to do it but my time is restricted, I think your point is well made, and you answered the question very much as I had anticipated.

With regard to an incident that occurred in the White House in the waning days of your being there, I would like to see if I can refresh your recollection and clear up something that appears to be completely contradictory testimony that was given in private by Colonel Earl in his deposition and something you said with regard to the Saturday, the 22 of November.

I think it is important to give you the opportunity, because it is completely in contrast. The other day you testified if I recall correctly that when the attorney general's men, Mr. Reynolds and others, were in the office spaces of yours in the White House on Saturday the 22nd of November last year, that you did indeed continue the process of shredding, that there was some of that going on routinely, or whatever, while they were there. And you were asked a number of questions about it.

And like a lot of other folks I don't know if it is accurate or its not accurate, my recollection is often not right, maybe you are going to—as you have done a number of times, say I remember that very distinctly and that is right. But Colonel Earl in his testimony, we can give you a copy of that on pages 79 to 80 or 81, has testified that he saw you about noon that day and came up on the situation and you told him that the shredder had been broken the night before. He said he tried to work with that shredder and that indeed it was broken. And that as a consequence of that and the fact it wasn't fixed all day that day, you went to the Situation Room and all the shredding to his knowledge that was done that day was done in the Situation Room.

There has been—as you know Justice Department officials have said not in the hearing, but out in the press that they don't remember the shredding that day. I am just wondering if this refreshes your recollection at all if indeed perhaps you were mistaken about the date in which—or where the shredding was going on or the timing of it that day.

Mr. NORTH. My recollection is that the shredder was not broken, that the shredder had jammed with an overload of documents in the teeth of the gears or whatever. That it had been reset. We needed to reset it again as I recall on Monday. But I do recall specifically taking documents that I was working on, some of which were current intelligence and the like, and shredding them. My recollection is that I did it in my own office. Again, I attach no specific relevance to that. Some of those documents that I shredded had absolutely nothing to do with the issues before these committees.

Mr. MCCOLLUM. Colonel Earl's recollection could have been faulty, too, and sometimes we never can resolve all things in these hearings, but I wanted to bring it up because I didn't want you—late after the fact to have that—without having had the opportunity. I want to straighten out a couple of the things if I can to—just for clarification—for what we anticipate to be future testimony. You testified that you wrote some five different memoranda referring to the use of the proceeds from the Iran arms sale for other covert operations with the Contras, and I am going to call them for the sake of anything else the diversion memos. Which I think—that's generally what we said. You call it something else. Whatever we are going to call it that.

Mr. NORTH. I don't think the word diversion appeared in any of my memos.

Mr. MCCOLLUM. No, they didn't—you don't mind my referring to them—if you want something else I will do it.

For the public record, to your knowledge were any of these memoranda written in connection with a November 1985 HAWK shipment?

Mr. NORTH. I don't believe so, sir.

Mr. MCCOLLUM. Were any of them written in 1985?

Mr. NORTH. No. It is my recollection that they were all written after January and again the date is uncertain, but the meeting I had in Europe with Mr. Nir and Mr. Ghorbanifar and the first transaction that we actually conducted after that meeting was in February, and so my recollection is that the first memorandum that would have addressed that would have defined the parameters under which that February transaction would have taken place.

I don't believe that we planned another one between the January 20th meeting or whatever it was, and what I remember as a February 10th or 15th meeting in Frankfurt with the Iranian intermediary.

Mr. MCCOLLUM. To your knowledge, Colonel, were any of the five diversion memo documents logged into the NSC Systems 4 recordkeeping system?

Mr. NORTH. I don't believe so. We talked a little bit about that in the executive session. My recollection is that by this point in time those kinds of sensitive documents were all what I referred to as non-log—they were not entered into the system.

Mr. MCCOLLUM. I would like to know if—if it is not true that the recordkeeping procedures at the NSC generally require that a copy or an original of a document be logged into the Systems 4 system, be maintained in the main files and kept in the NSC Intelligence Directorate?

Mr. NORTH. All System 4 documents had to be logged there. As I indicated, the April memorandum which we now have was not one of those System 4 documents.

Mr. MCCOLLUM. So, since you don't think one got logged in, I suppose the answer to any questions I ask about whether you personally ever attempted to alter a document of this nature in the Systems 4 machine or know of anybody who did or took it out or whatever would be no.

Mr. NORTH. I certainly altered documents, that were in the System 4 system.

Mr. MCCOLLUM. But not a diversion memo.

Mr. NORTH. But none of these.

Mr. MCCOLLUM. None these memos themselves.

Colonel North my time is up but I would like to make one comment in respect.

We have been here together quite a while and I have heard speechifying by members up here, admissions of this and accusations of that. I think that you have done a great deal of service for us by being here, to say the least, and I know the country feels that way.

I don't know whether you are going to go down in history as a hero or not. I don't know what the fate of all of the discussions we are having here will be. I know there were some mistakes made you have admitted to. There are some things I am sure you and I would disagree about with regard to some of the policies, though many of them I agreed more with you than some of my colleagues do.

I do know that Douglas MacArthur was, and is to this day, considered a hero and yet he was fired by President Truman. So I would say that you don't have to be perfect to be a hero.

One thing is for certain, Colonel Oliver North. You have served your country admirably. You have been a dedicated patriotic soldier and there is no question you have gone above and beyond, on many occasions, the call of duty. For that I personally, and I know the country is grateful and will remember forever, regardless of anything else.

Thank you very much.

Mr. NORTH. Thank you, sir.

Chairman HAMILTON. The Chair recognizes Mr. Boland.

Mr. BOLAND. Colonel North, I finally made it.

I know you would be disappointed if I didn't talk a little bit about the Boland Amendments which, from October 1, 1984, until October 18, 1986, prohibited the provision of military assistance to the Contras. The amendments are much aligned. It has been called so many different things during the course of these hearings, but I sort of like it best when it is described simply as it was: the law.

I know that you wouldn't quarrel with that description because you have spent a great deal of time in describing how you were complying with a particular law or series of laws, so I would like to ask you a few questions about your activities in compliance with the laws known as the Boland Amendments.

I noted yesterday that Senator Rudman asked you about an activity wherein you supplied maps and documents to Robert Owen to be carried to the Contras in a planned operation to destroy Sandinista military equipment. You responded to that.

And also he indicated that you indicated to the Chief of the Central American Task Force that he was aware of the Secord supply operation, and you testified to that.

Mr. NORTH. Mr. Chairman, if I may, I'm not sure that I ever told the Central American Task Force Chief that it was General Secord. I did tell him about the facts of that resupply operation.

Mr. BOLAND. OK. Now, you testified that you kept your superiors advised of your actions.

Did Mr. McFarlane know that Robert Owen was taking, at your request, militarily significant material to the Contras?

Mr. NORTH. I do not know that I ever told Mr. McFarlane or Admiral Poindexter that it was Robert Owen who was serving in that capacity.

I did apprise my superiors of intelligence that I was having passed to the Resistance.

Mr. BOLAND. In July of 1985, Lewis Tambs became the Ambassador to Costa Rica. He has testified that before he left for that post, you instructed him to open a military front inside southern Nicaragua.

From whom had you received the instructions you gave to Ambassador Tambs?

Mr. NORTH. As I believe I have testified, at the time this first came up, Mr. Chairman, I did not refer to that specifically as an instruction. I don't believe I said to the ambassador, "You are hereby instructed."

I certainly did encourage him in every way possible to support an open, active Southern Front, both politically and militarily. That had been widely discussed by the Restricted Interagency Group. The need for that was very obvious.

The documents that I have turned over and those of others, and those documents that were provided to the committee, clearly indicate that.

Mr. BOLAND. Let me ask you, Colonel, whether or not—all right—go ahead.

Mr. NORTH. It is my recollection that I discussed this actively with Mr. McFarlane and that he gave the go-ahead for opening those kinds of activities in the South.

Mr. BOLAND. Was there anyone in the Department of State from whom you had permission to so instruct a U.S. Ambassador?

Mr. NORTH. No, sir.

Mr. BOLAND. Ambassador Tambs also testified that later in the summer of 1985 he received instructions from you to approach the Government of Costa Rica about constructing an airfield in that country for the benefit of the Contras.

Who directed you to give those instructions to Ambassador Tambs?

Mr. NORTH. My recollection is that that had been also widely discussed within the Restricted Interagency Group, that I certainly made it clear we needed that kind of an activity in the South, and I apprised my superiors of the need for that construction.

I don't recall specifying the location, but I even provided photographs, at some points, of the airfield.

Mr. BOLAND. So, in effect, you really were the originator of that suggestion; is that correct?

Mr. NORTH. No. Actually I think the originator was probably General Secord, who knew more about the requirements for those kinds of abort bases in order to support the resupply operation.

Mr. BOLAND. All right. Was there anyone in the State Department that had approved this kind of instruction being given to Ambassador Tambs?

Mr. NORTH. Again, I do not recall ever addressing the issue specifically as a request for approval from the State Department, but I certainly apprised them of the fact the airfield was under construction, as part of that process within the Restricted Interagency Group.

Mr. BOLAND. A senior CIA official in Central America has testified that during a time when military assistance to the Contras was prohibited by U.S. law, he was active, at your request, in assisting the Secord lethal resupply operation, and other witnesses have testified that the assistance of this official was crucial to the success of the Secord operation.

Who in the CIA authorized you to bring this individual into the resupply network?

Mr. NORTH. Director Casey.

Mr. BOLAND. Who else in the Agency did you know to be aware of his activities, besides Director Casey?

Mr. NORTH. Well, you've asked me who was I actually firmly aware—I'm sure that the Central American Task Force Chief was aware. I can't say that with absolute certainty, Mr. Boland, but it

is—I'm pretty sure that he did, by virtue of the discussions I had over the course of time.

It is likely that, as I answered Mr. Boren yesterday, that the Operations Director knew. But I can't state that with certainty.

Mr. BOLAND. Colonel, in my judgment, the law was clear. It authorized the provision of certain types of intelligence information to the Contras. It did not authorize CIA officials to coordinate the aerial supply or resupply of arms to the Contra units in the field.

As you might agree, the supply of fighting units in the field is a military operation, and CIA participation in that type of operation was not authorized by law. That is correct, isn't it?

Mr. NORTH. I am not certain of that, Mr. Boland. In fact, it was my understanding that at the time these things were being done——

Mr. BOLAND. Well wasn't the CIA barred from getting into any military operations, under the amendment?

Mr. NORTH. It certainly was barred from expending funds for those purposes. No doubt about it.

Mr. BOLAND. Was—and what was your understanding of the level of knowledge of CIA official Duane Clarridge in the Secord Contra supply operation?

Mr. NORTH. My sense is that he had a general knowledge of the activities.

Mr. BOLAND. Did Clarridge assist the Secord operation in any way and, if so, in what way?

Mr. NORTH. I would say that his assistance was principally one of advising me on procedures. I don't believe he ever talked directly to any of those people involved, and I don't believe he talked to any of the field officers involved.

I'm not certain of that, but I don't believe he did. But he certainly—he and I talked a good bit. I valued his expertise.

Mr. BOLAND. Are you aware of any efforts by Mr. Clarridge to provide the Contras with weapons between June of 1984, and October of 1986?

Mr. NORTH. I'm talking off the top of my head now, Mr. Boland, but I do not know of any circumstances in which he was involved in those time periods with weapons.

Mr. BOLAND. Now, you've testified in great detail about Director Casey's knowledge of and interest in your activities on behalf of the Contras.

What degree of control did he exert over these—did he exert over these activities?

You testified that on one occasion in connection with another activity Mr. Casey told you to get a ship, and you got a ship.

Was there ever a time when Director Casey told you to do something that you didn't do it?

Mr. NORTH. I didn't get a lawyer soon enough.

Mr. BOLAND. Now, when you communed, as you put it, with Director Casey, did you give him details of the Secord Contra resupply operation, the amount of weapons being delivered, the money available and expended, the number of aircraft and personnel involved, and so forth?

Mr. NORTH. Well, there were times when we did have detailed discussions. I don't recollect ever having specific knowledge of how

much was left in any one account, as I've already testified, and I think my testimony ought to stand on those other things that the Director and I talked about in detail.

Mr. BOLAND. And whether or not you had an alternate point of contact at the CIA on the resupply operation in the event that you couldn't reach Mr. Casey, because Mr. Casey used to travel a lot—was there someone else in the CIA you contacted when you were not—when it was not possible to meet with or talk with Casey?

Mr. NORTH. Well, in my testimony and in the records that I turned over to the committee and those that were provided by the White House, it is very clear that I was in direct contact with the station chief in a Central American country.

Mr. BOLAND. You know, you are many things. You are many great things. There is one thing you really do great—that is, keep magnificent memos—beautiful penmanship, no crossout. You know exactly what you are doing. All the time you write it down in perfect English, and perfect language.

Now, in the documents that you supplied to this committee indicate clearly that you were an inveterate note-taker. How about Mr. Casey, did he take notes when you met with him?

Mr. NORTH. No. On a number of occasions I walked into the Director's office or when meetings with the Director and he would tell me to put away the notebook, that if I couldn't remember it, I didn't belong in the business.

Mr. BOLAND. Now, several witnesses who have testified and made references to the assistance provided to the Secord Contra arms resupply effort by Colonel James Steele, the then military assistance group commander in Country Seven.

Who in the Department of Defense had authorized Colonel Steele's participation in this operation?

Mr. NORTH. I don't know, sir.

Mr. BOLAND. Did you ever report to anyone in the Defense Department about the help Colonel Steele was providing to the Secord resupply effort?

Mr. NORTH. I'm trying to recall when Colonel Steele arrived in the country which he was assigned. It is entirely possible that Admiral Moreau and I talked about it. It is possible that I talked about it with General Gorman or his replacement. But I don't recall those specific conversations.

Mr. BOLAND. Was Colonel Steele subject to the command of General Paul Gorman when General Gorman was the commander of the Southern Command?

Mr. NORTH. That is the point of my earlier statement, is I don't recall when he arrived down there, sir.

Mr. BOLAND. I can understand. You have testified here—this is the 6th day. You have had a million questions thrown at you. I don't expect you can remember everything.

Now, you have testified that you had been advised that the National Security Council was not covered by the Boland Amendment. It won't surprise you to learn, I suppose, that I believe that that advice was wrong. I don't think we're going to debate the coverage of NSC here with you.

I only want to know this. The CIA was covered by the Boland Amendment, so was the DOD and also the State Department, be-

cause everyone knows the State Department is an intelligence—has an intelligence capability. Why do you believe you had the ability to direct employees of those agencies to do things which the law said they couldn't do?

Mr. NORTH. Congressman Boland, I will take issue again with the word "direct." I certainly solicited from them help. If I didn't solicit money, I sought help, and I did seek a lot of that, and they provided it.

My understanding of the Boland proscription was that funds could not be expended for those purposes, and I don't know that any of those people engaged ever expended a nickel on behalf of the programs that I sought their help for.

Mr. BOLAND. Incidentally, the Boland Amendments in effect from October 1984, until October 1986, spoke about "funds available" to the CIA, DOD, or any other agency or entity of the United States involved in intelligence activities.

Would it surprise you to learn that Congress chose those particular words because it understood that the CIA, for example, operates proprietaries, and those proprietaries might have funds available to them, and thus the CIA—which are not appropriated—but the funds would be available to the CIA even though not appropriated, but which Congress still wanted to include within the Boland proscriptions?

You've described the residuals in the Iran arms sales transactions as intended to support Director Casey's off-the-shelf covert operations entity. Weren't the residuals therefore funds available to the CIA?

Mr. NORTH. No, sir. The CIA never had—except for those moneys transferred to the CIA from those entities to pay for weapons purchased under the Economy Act from the DOD, the CIA never had available to it a nickel.

Mr. BOLAND. Colonel North, I never met you, never saw you, never met you until last Tuesday, and I'm sure you never saw me or met me.

Mr. NORTH. That's not correct, Congressman Boland. I briefed you on the special project at the direction of William P. Clark——

Mr. BOLAND. Well, I don't recall it.

Mr. NORTH.—when he was National Security Adviser, when you were chairman of the Intelligence Committee.

Mr. BOLAND. Anyway, ever since this investigation started, I have not given any interviews with respect to you, have never indicated what my position would be on this committee, and never indicated at all what my opinion was of you and your testimony. I think that was something that would be left for the final report of this committee.

But I do want to make an observation, and you don't have to respond.

I share your belief that this nation needs effective and aggressive intelligence agencies and that covert operations must at times be employed in intelligence activities.

For 7½ years I chaired the House Intelligence Committee, a committee created in large part as a result of the history of failures and abuses in intelligence described by the Rockefeller Commission, the Church Committee and the Pike Committee.

When the House Committee was established, relations between the Congress and the intelligence community, particularly the CIA, were at a very low ebb. And there were serious questions about the Agency's future. Had that situation been allowed to continue, our nation's security would have been imperiled.

Fortunately the House Committee and its Senate counterpart were able to not only increase the resources available for intelligence collection and analysis, but through properly conducted oversight, to significantly improve the degree of trust within Congress and between Congress and the intelligence agencies on intelligence activities.

That trust, I fear, has been one of the casualties of the Iran-Contra affair. When I chaired the Intelligence Committee, we reviewed a number of covert operations. Our role was primarily consultative, although we did have the ability to recommend to the House that covert operations as defined by a Presidential Finding which we thought to be inadvisable, not be funded, and we made some suggestions at the time.

That recommendation was rarely made, but its potential was a reflection of the concern expressed by George Mason, a delegate from the Virginia delegation of the Constitutional Convention 200 years ago, "that the purse and the sword must never be in the same hands."

I believe the Iran-Contra affair demonstrates the dangers in ignoring Mason's warnings. Covert activities can furnish and support foreign policy, but they cannot be foreign policy.

When covert activities become substitutes for a foreign policy developed in a manner consistent with the dictates of our Constitution, they endanger, rather than promote, our security.

These hearings are, in part, about the lessons to be learned from the Iran-Contra affair. For me, one of the chief lessons learned thus far has been the wisdom of an observation made by Sir William Stevenson, who was a great friend, incidentally, of Wild Bill Donovan, who was a great friend of Bill Casey and who was the great Chief of the British Intelligence in World War II.

He said, "Among the increasingly intricate arsenals across the world, intelligence is an essential weapon, perhaps the most important. But it is, being secret, the most dangerous. Safeguards to prevent its abuse must be devised, revised, and rigidly applied. But as in all enterprise, the character and wisdom of those to whom it is entrusted would be decisive. In the integrity of that guardianship lies the hope of free people to endure and to prevail."

Thank you, Colonel North. I want to express my appreciation for the manner in which you have testified today. I can understand the ordeal it has been for you and your family and all your friends.

Thank you very much.

Chairman HAMILTON. The Chair recognizes Mr. DeWine.

Mr. DEWINE. Thank you very much, Mr. Chairman.

Mr. HYDE. Mr. DeWine, would you yield just for a second? At the break, if you would lean over to Mr. Boland and tell him that George Mason never signed the Constitution, he refused to. Thank you.

Mr. DEWINE. I am not in the habit of giving Mr. Boland advice, Henry. But you can.

Mr. HYDE. OK.

Mr. DEWINE. Colonel, when I was a young boy growing up in Ohio, one of my jobs was to load boxcars with bags of seed and that was kind of a hot job at least this time of year. In the winter it was kind of a cold job. There was an old boy who worked with me. Actually, I worked with him because he had been there longer than I ever was. And he had a saying. We would work all day loading that boxcar. When we got to the last bag, he would look down at the bag, look up at me, and say, "Mike, that's the bag we've been looking for."

Colonel, I think I'm probably the Congressman you've been looking for. I'm the last one down here on the end. We are just about done. I think the chairman has a few questions, both of them probably do. But I am the last one on the panel. So the end is in sight. We appreciate your 6 days of testimony. We appreciate the fact that you have hung in there and borne with us.

Let me if I could ask you a question about something you said at the beginning in your opening—well, in your opening statement that was delivered 2 days into it. But it was your opening statement.

You stated that in your opinion the—this committee had not really been totally fair, that it had been selective in the testimony that it had brought forward. Let me quote, if I could, from the transcript. "You put the testimony which you think is helpful to your goals up before the people and leave others out."

I would like to give a couple of examples to you and ask you if this is the type thing that you are talking about? On May 20th, over a month ago, when this committee put right up there on the wall a chart that listed all the traveler's checks that you had written to Parklane Hosiery and some food store out in Northern Virginia and a few other places, knowing full well that it would be a month or two before you would have a chance to come in here and refute that, or make any comment about it at all, is that the type thing that you mean by unfairness?

Mr. NORTH. Yes, sir, it is. And further that none of the other thousands of traveler's checks which were available and cashed by the very people that I described having turned them over to were displayed. Only those ones that I had signed.

Mr. DEWINE. Let me give you another example. When General Secord was on the stand and he was confronted on cross-examination by a statement that had been made by Robert Dutton in a deposition and it seemed to contradict what Secord said about the willingness to give some of the assets over to the CIA or all of the assets of the enterprise over to the CIA, I went back, actually Ken Buck of our staff went back at noon and looked it up and found that that was really taken out of context. When you read the whole deposition, just one page later actually, what you found is that there wasn't a contradiction at all.

Is that the type of taking things out of context that maybe you are talking about?

Mr. NORTH. Yes, and I don't want to take too much of your time but let me make one thing very I want to be clear about the idea—whose idea it was to cause those assets to be sold to the CIA. That

idea was Director William J. Casey's, and I caused it to be put back into the proposals.

Mr. DEWINE. All right. I'm glad you clarified that for us.

Let me give you another example. When the *New York Times* published on June 18, 1987, and I quote, the following, "According to congressional investigators" and then that article went on to state that Glenn Robinette had told our committee in closed executive session, deposition of a direct link—that there was a direct link between General Secord and Edwin Wilson. That was the story that ran. Yet when he came in, Robinette came in to testify, he didn't say that at all. In fact, he said just the opposite. Is that the type of problem you have seen with this committee?

Mr. NORTH. It certainly would seem that way, sir.

Mr. DEWINE. Let me give you another example. There were three donors who were brought in here to testify. We put on this panel. The panel had three donors. One had been shown a munitions list. One had been told if he gave enough he could meet with the President if he hit a certain level. And one who spoke with Director Casey and then, after that gave directly into the Lake Resources account. There was a clear implication at that time that all the private donors approached by Spitz Channell had been given munitions lists, all had been told they could see the President, and all donors had given to the Lake Resources account. It wasn't said, but that was the implication.

Would it surprise you to know this committee interviewed many, many, many people, the staff did, and those were the only three, each one, that could testify about that particular thing? Again it wasn't false, but it was just a little bit misleading, gave the wrong impression. Is that the type thing you are talking about?

Mr. NORTH. Yes, sir.

Mr. DEWINE. Let me give you another example. Brett Sciaroni came in here. He is the man who did the legal opinion about the Boland Amendment. He wasn't—oh he was asked a little bit about his legal opinion, the quality of the opinion, what it looked like, to defend it. But the majority of the attack on him wasn't on that. It was an attack on him. It was let's try Mr. Sciaroni. Let's see if he passed the bar the first time. Let's get into all these things.

Does that seem to you to maybe be missing the point of what this whole committee should be dealing with, which is one of the things a policy question. The other is a legal question about the Boland Amendment. We all have difference of opinions. We are, I hope, good friends on this committee. But we have difference of opinion. Is that the type of thing you are talking about?

Mr. NORTH. Yes, sir.

Mr. DEWINE. Finally—and I could go on and on but my time is very limited—would it surprise you to know—I don't imagine it would—but the fact that I went back and counted and prior to yesterday afternoon—now it changed yesterday afternoon—but prior to yesterday afternoon, by my calculations, going through the transcript, on 24 different times your very able lawyer had made an objection; for some reason on 24 straight times your able attorney had been overruled.

Now does that surprise you?

Mr. NORTH. Nothing surprises me anymore, Congressman.

Mr. DEWINE. I don't think—and I want to be fair. I don't—and I won't put this in it's historic perspective. I am not criticizing our chairmen. I think they are both good chairmen. I'm really not. Now, let me explain that to you.

Chairman INOUYE. Will the Representative yield?

Mr. DEWINE. If I could finish and I think—I will yield if you want me to now or if I could finish, Mr. Chairman.

Chairman INOUYE. On a point of personal privilege.

Mr. DEWINE. It won't come from out of my time, will it, Mr. Chairman?

Chairman INOUYE. I will give you time.

If you at any time felt that the ruling of the chair was unfair, you know very well that the Rules would have provided you to speak up. On each ruling that this Chair made, not a single member of the panel objected to my ruling and as far as I am concerned, my rulings were correct.

Please proceed.

Mr. DEWINE. Well, I made a mistake and I'm sorry. I'm sorry that I didn't object at that time.

Let me put it in historical perspective, if I could. As I started to say, I'm not blaming either one of the able chairmen. I am really not. I think the problem is a more organic or more basic problem. I think it is something that has been with us for many, many years. I think it is something that Arthur Liman—I don't see him, but Arthur Liman when he was a young undergraduate or maybe graduate student—I don't know—in the early 1950s and we had just come off, or the country had just come off the Army-McCarthy hearings and he saw some of the abuses, and he wrote and indicated that maybe some changes needed to be made. I think some changes need to be made. I think that is one thing that maybe people on both sides of the aisle will be able to deal with after these hearings are over.

We need some firm rules. We need some rules which guarantee fairness and guarantee that we can get at the truth. Now I don't propose to turn this into a court of law. Lord forbid, we don't need to do that. We have other functions. We have a function of debating policy and we have all done that. And we disagree, but I don't know that Congress could have more able people in the chairmen, Jack Brooks, I look over there, I look all around, about debating policy. That's proper here. This is not a court of law. But when we get to the question of fact, away from policy, into fact, which is another one of our responsibilities, it seems to me that some of the rules that are used in court—not all of them, but some of them that have come down through the ages, literally, and that we have evolved—that have evolved and we have used in our court and we have tested them, some of those should be used.

Basic hearsay. We have had hearsay and double hearsay and triple hearsay. And the reason we have had it is because there are not any rules saying we shouldn't have it. That's a problem. It's a problem when we ask witnesses, and I probably have been guilty of it too, but we ask witnesses to speculate about what someone else was thinking about. What did that person think? What was their motive? And we all know that. That's not probative. That's not accurate, that's not the way we tell what the truth is.

These rules didn't just come down, handed to us from someone else. They just didn't evolve in order to protect defendants or to straight jacket a court. It came down because they deal with two things: One, it's a good way to tell the truth. It's the best way. And two, it's fundamentally fair. It's fundamentally fair that one person should not be examined based upon that hearsay. So maybe if something—I think a lot of good things are going to come out of these hearings, but maybe that's one that the liberals, the conservatives, Republicans, and Democrats can all agree on. Maybe we can all work in that area.

Let me move on if I could. I have got some areas that I would like to clean up at least in my mind, Lieutenant, that are not clear. Let me start with Bud McFarlane. He is going to be following you apparently as a witness on the stand. I want to get into the question about the NSC and about the application of the Boland Amendment to the NSC. Now when Mr. McFarlane—you already expressed your opinion about that, that it does not apply, Boland does not apply to the NSC. Mr. McFarlane previously testified and told this committee that in his opinion it did. In fact, he even went on to say, talking about my chairman, the chairman of our Foreign Affairs Committee, that if Dante Fascell tells you to do something, by golly you better not do it. I understand that. I respect that. I want to know, did he ever tell you that? Did he ever tell you if the chairman of the Foreign Affairs Committee says don't do something then by golly, you shouldn't be doing it?

Mr. NORTH. I never heard that, sir.

Mr. DEWINE. Did he ever call a staff meeting, and he sat down and said look, in my opinion, Boland applies to the NSC?

Mr. NORTH. I never heard that.

Mr. DEWINE. Did he ever send you a memo that you can recall or a memo to the rest of the staff that said that?

Mr. NORTH. No. There are memoranda that I received back from both Mr. McFarlane and Admiral Poindexter telling me not to do certain things and when they told me that, I didn't do them.

Mr. DEWINE. But you don't recall that?

Mr. NORTH. No, sir. And I want to make it very clear again. Every single thing that I did that required a decision, I sought approval for, and if I didn't get approval, I didn't do it.

Mr. DEWINE. Let me move on to Elliott Abrams. Again, I am trying to clean up the record in the sense that these are things that I don't understand or I think there's blanks in the record. I may be wrong about that, but if you will just bear with me.

You have testified that you believe Assistant Secretary of State Elliott Abrams was aware of your activities. I want to ask you some specific questions, if I could.

Did you ever tell Elliott Abrams about your—I was going to say instructions to Ambassador Tambs to open up a Southern Front but you've already told us you really didn't give him instructions in that area. Did you ever have a discussion about the Southern Front, the opening up of that, with Elliott Abrams, that you can recall?

Mr. NORTH. As I've testified, the opening of a Southern Front was viewed as an absolute political and military necessity by everybody on the Restricted Interagency Group. There is no doubt that I

had told members of the group that an air field was being built by the private benefactor organization or whatever—Project Democracy or whatever euphemism I used at the time. And that it was being done with the assistance of people at the embassy. I do not recall whether I specified that it was Ambassador Tambs.

Mr. DEWINE. Do you recall—and I don't want to quibble with you here and I appreciate your recollection—do you recall any specific conversation with Elliott Abrams about that? I appreciate what you've said. I would like to know that.

Mr. NORTH. I do not recall a specific conversation. There is no doubt that that subject came up at some length and there was after all a conference call among Ambassador Tambs, Mr. Abrams and myself one evening when the exposure of that airfield became an issue.

Mr. DEWINE. When it became an issue?

Do you ever recall any conversation with Elliott Abrams about any other aspect of that prior to that date? Prior to when it became an issue?

Mr. NORTH. No. But I would point out again when I called him or he called me or however it worked, neither of us were surprised.

Mr. DEWINE. Neither was surprised?

Mr. NORTH. Well, in other words, when that issue of exposure of a secret airfield in that country came to be an issue, it was no great surprise to him or to the ambassador or to anyone. I mean, we knew that we did not want it exposed. We did not want to jeopardize the previous administration in that country that had helped us build it, nor jeopardize the personnel that were engaged in it.

Mr. DEWINE. Colonel, I want to thank you very much for your testimony. I appreciate your time. I appreciate also your very distinguished service and record of service to this country. It is appreciated by all of us and seems to really have touched a chord with the American people.

As I stated before, I think that in the past this committee maybe has been a little unfair with you, particularly putting that chart up there and you didn't have a chance to respond to that. That bothers me. I think that in the last 6 days you have been given an opportunity, an opportunity to talk about your involvement and frankly, you have used that forum very ably, as ably as I have ever seen a witness in front of the U.S. Congress.

The only thing—parting comment that I would make, is that I am a little troubled as you leave. I am troubled by the fact that we—the suspicion that we may revert to our old pattern on this committee again. We seem to have started where an opportunity is going to be given for witnesses to come back; Bud McFarlane is going to come back. I don't object to that, but he's going to be coming back and apparently try to contradict some of the things that you have said. I just wonder how far we take this. Are we going to allow every witness who wants to come back for the second and third time to come back? Are we going to turn this into a debating club where we go back and forth?

And I guess that I am bothered by what may happen in the future that maybe some memos will be brought forward or witnesses will be brought forward that we have not seen who will directly attack you or who may make a comment about you, about

the facts, and then you will—a new fact and then you will not have the opportunity to respond to that.

I suspect, however, that there are some Members of the committee that don't want to see you come back here, you have used this as a platform, the opportunity to be, I think a very effective witness. Particularly when you have talked about some of the areas in Central America, the threat that the United States faces down there, what is going on in regard to Iran.

You have been a very eloquent and I think very effective witness and I appreciate your time.

Thank you very much.

Mr. COURTER. Will the gentleman yield?

Mr. DEWINE. I will be glad to yield.

Mr. COURTER. I thank the gentleman for yielding, and I would just like to say that I in each and every occasion did not feel that the rulings of the chair were correct, but I, as well as probably Congressman DeWine, did not object at that time because of our respect for the chair and particularly because of our respect and high esteem for the individuals that are the chairs, and I think that silence indicates that and nothing else.

Thank you.

Mr. DEWINE. I would concur in that.

I will take my time back and agree with the gentleman. It should not be misinterpreted as lack of respect. I have had more opportunity to work with Chairman Hamilton than I have with Senator Inouye simply because we have worked longer on these committees and I have a great deal of respect for both of them.

I don't think that either one of them has ever done anything that they did not think was absolutely correct.

I have disagreed with them, I have—I will disagree I am sure in the future about a lot of things, but one nice thing about serving on this committee, I think, from a personal point of view, has been the opportunity to get to know a lot of my colleagues a lot better.

Ed Boland and I see each other in the gym every morning. But we have had chance to work a little closer on this committee. He opens the gym.

Thank you very much, Mr. Chairman.

Chairman INOUYE. I thank you very much.

I am certain Chairman Hamilton enjoins me in thanking you for your respect, sir.

When we began the questioning of Colonel North, I announced that after we had completed with the round of questions, it will be opened again for those who may be desirous of asking additional questions.

I have been advised that two members of the panel wish to be recognized, first Senator Boren.

Mr. BOREN. Thank you very much, Mr. Chairman.

Colonel North, during the discussion earlier and under questioning from Congressman Brooks, the question of the so-called martial law plan had come up. We had some discussion about this in the executive session and, of course, we cannot here go into detail as to any emergency plans for continuation of government that we might have in this country in the event of nuclear attack.

And I am not asking that we go into that. I have had discussion with White House counsel over the last 2 days about this matter because great concern has been voiced by the American people since some of the stories appeared in the news media to the effect that there was a plan to have martial law, to suspend the Constitution in the event of civil dissent, civil disorder, and White House Counsel's Office has indicated it would be appropriate as long as we do not get into a general discussion of emergency plans dealing with nuclear attack to put a couple of questions to you about this as long as I refer to a matter that has been printed in the media and is in the public domain.

So I would like to do that.

If the staff would hand you a copy of an article in The *Miami Herald* that appeared on Sunday, June 5, 1987. It was carried in several other newspapers in the country on the wire, and I ask this because it has caused grave concern in the country, and, I admit it caused grave concern to me when I read these reports.

Let me, just quote one paragraph that is there. It says, "Lt. Col. Oliver North, for example, helped draw up a controversial plan to suspend the Constitution in the event of national crisis such as nuclear war, violent and widespread internal dissent, or national opposition to a U.S. military invasion abroad."

I would ask you, did you participate in or advocate any such plan to suspend the Constitution in the event of national crisis such as nuclear war or violent and widespread internal dissent or national opposition to a U.S. military invasion abroad?

Mr. NORTH. Absolutely not.

Mr. BOREN. To your knowledge, has the Government of the United States adopted any such plan or does it have in place, in being, any such plan?

Mr. NORTH. No, sir, none.

Mr. BOREN. I felt it important to ask those questions of you.

Let me say the Intelligence Committees will be in—in the process of being briefed we have had periodic briefings on our emergency plans in terms of nuclear attack in the past.

We intend to have additional briefings on the status of these plans and that would be the appropriate place for those briefings to take place. But I felt it very important that we put that—put those questions to you, and put them into the public record in light of the concern that had been expressed to me about it.

Mr. NORTH. I thank you, Senator Boren.

Mr. BOREN. Thank you, Mr. Chairman.

Chairman HAMILTON. Mr. Rodino.

Mr. RODINO. Thank you very much, Mr. Chairman.

I had hoped that it would not be necessary for me to come back today, but I had assumed yesterday when the chairman decided that I was not to continue that I had 5 extra minutes allotted to me by Mr. Aspin.

Nonetheless, not to take any further time, Colonel North, I have just a few questions and I am sure that you can answer them probably either yes or no, they are very simple questions.

These committees have heard evidence that DEA agents worked with you in your efforts to locate and free the hostages held in Leb-

anon. My question, did you brief the Attorney General on that activity?

Mr. NORTH. It is my recollection that I did personally brief the Attorney General. I don't recall the specific meeting. In my—the records I turned over to the committee there is reference to that briefing. And I believe in the documents that the committee was provided by the White House.

Mr. RODINO. Does it identify the date, Colonel?

Mr. NORTH. I don't recall that, but we did discuss that I believe in—perhaps it was executive session. My recollection is that I personally briefed the Attorney General on it.

Mr. RODINO. Thank you. Did you tell the Attorney General that private funds were going to be used to bribe foreign officials and others to locate and free the hostages?

Mr. NORTH. That is my recollection, sir.

Mr. RODINO. Did the Attorney General ever tell you that it would not be proper for you to use government funds to bribe foreign officials, and others, but that it would be acceptable to use private money for that purpose?

[Counsel conferring with witness.]

Mr. NORTH. Let me just clarify one point in this. First, to answer who told me what, my recollection is that Director Casey and the Director of Operations at CIA had both indicated that U.S. Government moneys could not be used for those purposes, and I don't recall asking the Attorney General whether or not it was appropriate to use U.S. moneys.

It may well have been that the DEA officers themselves made it known that U.S. Government moneys couldn't be used for those purposes. I also want to specify, it was not—when you say bribing foreign officials, I am not entirely certain that they were foreign officials.

Mr. RODINO. Foreigners?

Mr. NORTH. Foreigners, yes, sir. In any event, I came to understand by virtue of my discussions certainly with Director Casey, I think with the Director of Operations at Langley, possibly with officers in the FBI with whom I worked on counterterrorism that we couldn't use U.S. Government moneys for those purposes and that we would use outside moneys.

Mr. RODINO. But the Attorney General, as you recollect, did not advise you?

Mr. NORTH. I do not believe the Attorney General recommended one way or the other on that, sir.

Mr. RODINO. My last question on this subject. Did you tell the Attorney General that expenses for the DEA agents were paid for from private sources such as Albert Hakim, Richard Miller, and Adolfo Calero?

Mr. NORTH. I honestly don't recall the full nature of that discussion. I do know that in a memorandum that I did for Admiral Poindexter on this, that I did specify where the source of funds was coming from, and I believe I probably told the Attorney General that. But I don't recall the conversation with specificity.

Mr. RODINO. One final question, Colonel. In your response to Mr. Nields the other day, with reference to a question concerning a

meeting on November 21st, you made some reference to the Attorney General, and let me read you the statement.

"And so that is early on November 21st—" these are your words——

Mr. NORTH. Which year are we talking about, sir?

Mr. RODINO. We are talking about the statement that you made the other day before this committee with reference to the meeting of November 21, 1986.

And your answer to Mr. Nields, "And so that is early on November 21st, because I believe the decision was—the decision to make an inquiry, to have the Attorney General—"and then you added, and this is what I am confused about, "for Mr. Meese in his role as a friend of the President to conduct a factfinding excursion on what happened in September and November in 1985, I assured the admiral," you were talking about "don't worry, it is all taken care of."

My question, when you refer to Mr. Meese as a friend of the President, why do you use that term?

Mr. NORTH. Well, I am not sure what—exactly what I meant in those terms. What I clearly intended to say was that no one told me then, it was not until 4 days later on the 25th, that there was any criminal investigation or criminal concern in this whole issue, and my recollection is that the admiral told me that morning or that day at some point that there was going to be a factfinding inquiry conducted by Mr. Meese. Not in his role as chief law enforcement officer or as Attorney General, but because he was close to the President, he was a person the President relied upon to be able to get to the bottom of all this.

Mr. RODINO. In other words, your answer then is that Admiral Poindexter said to you that Mr. Meese would be coming to conduct an inquiry, but he would be coming as a friend of the President.

[Counsel conferring with witness.]

Mr. NORTH. Again, I am making the characterization. I don't believe Admiral Poindexter said "he is coming as the friend of the President." My recollection of the discussion——

Mr. RODINO. You just used those terms.

Mr. NORTH. I understand, but I am saying that was my characterization, not the admiral's characterization.

[Counsel conferring with witness.]

Mr. NORTH. Does that answer the question? What I am saying to you, Mr. Rodino, is that I characterized it after the fact as that kind of an inquiry.

At the point in time I would guess, and I don't recall the specifics of it——

Mr. RODINO. Is there any reason why you wanted to characterize it that way?

Mr. NORTH. Yes. I wanted to make it clear that I had absolutely no inkling of criminal investigations, criminal inquiry, criminal behavior, anything criminal until the 25th of November 1986.

When the admiral told me that, in fact I don't think he said the Attorney General was coming. It was the Attorney General is going to send some people over or Mr. Meese is going to send some of his people over—one of those kinds of things. But the character-

ization I gave it in my discussion with Mr. Nields was my characterization, not the admiral's.

Mr. RODINO. You assumed that he would be coming as a friend to make a friendly inquiry?

Mr. NORTH. What I am saying is, I assumed he was coming not as a criminal investigator. No mention was made to me when the officers arrived in my office on Saturday morning the 22d, nobody said, "We are going to conduct a criminal inquiry into your behavior, North, or the documents that you have got."

It was simply described to me as a factfinding inquiry; I think those were the three words that were used.

And as I indicated to you earlier, on Friday, I started laying out the documents. The characterization I gave Mr. Nields is one that I put on it and as I have described it to you here in the committee.

Mr. RODINO. Thank you, Colonel North.

Thank you, Mr. Chairman.

Chairman INOUYE. Senator Sarbanes.

Mr. SARBANES. Mr. Chairman, because of the assertions which will appear on the printed record of questioning the fairness of this committee, I think it is important to place on the printed record a demonstration of committee fairness, which I think has been very visible and obvious to all of us as we have sat through this hearing, and to those who have watched it, and that is that Colonel North's counsel has had unlimited scope throughout these proceedings to defer his responses to questions while they engaged in consultation and counsel, and that has happened frequently and often. And I simply underscore it to place on the printed record, because although it is very visible, unless a statement is made about it, it will not appear in the printed record, reflecting I think a very significant measure of fairness extended to the colonel in his testimony before this committee.

Chairman INOUYE. Mr. Hyde.

Mr. HYDE. Thank you very much, Mr. Chairman.

Since a very brief second round has been permitted, I just wanted to avail myself of that window of vulnerability. I just want to say to Colonel North, we have heard a great deal, and a lot of it quite learned conversation and talk about the Constitution. And there have been some serious allegations made about your conduct with reference to the Constitution. And I just want to say to you, Colonel, that part of that fundamental document of our country contains some words about bills of attainder.

Now, bills of attainder are legislative Findings of guilt. And it may comfort you to know, and I am sure you already know it, that the Constitution forbade bills of attainder, so I just thought that little Bicentennial note might help.

And as long as we are talking about fundamental documents of this country, our birthday certificate, the Declaration of Independence, has some comments that might refer to an earlier comment by the distinguished junior Senator from Maine who said, "God does not pick sides on political questions," and I am happy to agree with that. But the Declaration does say in Jefferson's magnificent words that "we are all endowed by our Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness."

Now, if Jefferson was right, and I fervently believe he was, I would suggest that God doesn't pick sides on political questions, but wherever God is, and I believe he is everywhere, including Nicaragua, I just bet he is on the side of liberty and human dignity.

And so with those words, I thank you very much for enduring your ordeal so well today.

Thank you.

Chairman INOUYE. Any further questions?

Senator Rudman?

Mr. RUDMAN. Mr. Chairman, I take this opportunity as a point of privilege as the Vice Chairman of the committee not to address any comments or questions to Colonel North, but because something has occurred in the last 48 hours or the last 72 hours, that I'm sure is a small minority of the American people. And yet it has been so disturbing to me that I wanted to say what I am going to say, probably over the chairman's objections.

I am sure Colonel North will agree with every word that I say. I am sure of that.

We received some calls in the committee and our offices over the last 72 hours of ugly ethnic slurs against our Chairman. And other kinds of calls that were extraordinarily insulting to the Members of this committee. Colonel North has been respectful of this committee. I think this committee has been respectful of Colonel North. But there seems to be a vision out there not shared by this witness or his counsel or by most Americans about this committee that I want to set straight.

Represented on this panel are 16 members who have served in the service, eight who have served in combat, a number with great distinction, with medals for valor and heroism from Guadalcanal to the Lingayen Gulf.

The Chairman was recommended for the Congressional Medal of Honor for assaulting two German machine-gun nests in northern Italy, and then failing on the third one, which was destroying his company, when he lost his arm, which he left on that battlefield in Italy. He holds the nation's second highest award, the Distinguished Service Cross. He is one of the greatest men I have ever known, and the country ought to know the kind of leadership the Senate Chairman exerts, and for all Americans to condemn the kind of ethnic slurs that have no place in America.

Thank you, Mr. Chairman.

Mr. NORTH. I fully agree, Mr. Rudman.

Chairman INOUYE. I thank you very much.

Colonel North, we are just about finished. Do you have any final statement to make, sir?

Mr. NORTH. A very brief one, sir.

Chairman INOUYE. Please proceed.

Mr. NORTH. I would simply like to thank the American people who have responded with their good wishes, their support, their prayers through what has been for me and my family a long and difficult ordeal. I thank them for that, and I salute them.

That is my statement, sir.

Chairman INOUYE. Thank you very much.

And now it is my privilege and great honor to recognize the chairman of the House Select Committee, Congressman Hamilton.

Chairman HAMILTON. Mr. Chairman, may I express to you my personal appreciation for the manner in which you have presided over these committees these last several days. You have had some rather difficult moments. I think you have been firm and fair, and you have kept these proceedings moving along, and all of us are most grateful to you.

Colonel North, let me join with others in expressing my appreciation to you for your testimony and, as the chairman has indicated, I will use my time just to give you some of my impressions.

I recognize that a President and those carrying out his policies sometimes face agonizing choices, and you have had more than your share of them. I have never for a moment over the years that I have known you doubted your good intentions to free hostages, to seek democracy in Nicaragua, to fight communism, and to advance the best interests of the Nation. And for many in this country, I think the pursuit of such worthy objectives is enough in itself or in themselves and exonerate you and any others from all mistakes.

Yet, what strikes me is that despite your very good intentions, you were a participant in actions which catapulted a President into the most serious crisis of his Presidency, drove the Congress of the United States to launch an unprecedented investigation, and I think probably damaged the cause or the causes that you sought to promote.

It is not my task, and it is not the task of these committees, to judge you. As others have said, we are here to learn what went wrong, what caused the mistakes and what we can do to correct them. And the appropriate standard for these committees is whether we understand the facts better because of your testimony, and I think we do, and we are grateful to you.

In your opening statement you said that these hearings have caused serious damage to our national interest. But I wonder whether the damage has been caused by these hearings or by the acts which prompted these hearings. I wonder whether you would have the Congress do nothing after it has been lied to and misled and ignored.

Would we in the Congress then be true to our constitutional responsibilities? Is it better under our system to ignore misdeeds, or to investigate them behind closed doors as some have suggested. Or is it better to bring them into the open and try to learn from them?

I submit that we are truer to our Constitution if we choose the latter course.

These committees, of course, build on the work of other committees, and I think that work is part of our constitutional system of checks and balances.

There are many parts of your testimony that I agree with. I agree with you that these committees must be careful not to cripple the President. I agree with you that our government needs the capability to carry out covert actions.

During my 6 years on the Intelligence Committee, over 90 percent of the covert actions that were recommended to us by the President were supported and approved, and only the large-scale

paramilitary operations, which really could not be kept secret, were challenged.

I agree with you when you said in your opening statement that you were caught in a struggle between the Congress and the President over the direction of American foreign policy, and that most certainly is not your fault. And I agree with you that the Congress, whose record in all of this is certainly not unblemished, also must be accountable for its actions.

Now, let me tell you what bothers me. I want to talk about two things: first policy and then process.

Chairman Inouye has correctly said that the business of these Select Committees is not policy, and I agree with him. But you made such an eloquent and impassioned statement about policy that I wanted to comment.

I am very troubled by your defense of secret arms sales to Iran. There is no disagreement about the strategic importance of Iran or the desirability of an opening to Iran. My concern is with the means employed to achieve those objectives.

The President has acknowledged that his policy as implemented was an arms-for-hostage policy, and selling arms to Iran in secret was, to put it simply, bad policy. The policy contradicted and undermined long-held, often articulated, widely supported public policies in the United States. It repudiated U.S. policy to make no concessions to terrorists, to remain neutral in the Gulf war, and to stop arms sales to Iran.

We sold arms to a nation officially designated by our government as a terrorist state. This secret policy of selling arms to Iran damaged U.S. credibility. A great power cannot base its policy on an untruth without a loss of credibility. Friendly governments were deceived about what we were doing. You spoke about the credibility of U.S. policy in Central America, and you were right about that. But in the Middle East, mutual trust with some friends was damaged, even shattered. The policy of arms for hostages sent a clear message to the states of the Persian Gulf, and that message was that the United States is helping Iran in its war effort and making an accommodation with the Iranian Revolution and Iran's neighbors should do the same.

The policy provided the Soviets an opportunity they have now grasped and with which we are struggling to deal. The policy achieved none of the goals it sought. The Ayatollah got his arms, more Americans are held hostage today than when this policy began, subversion of U.S. interests throughout the region by Iran continues, moderates in Iran—if any there were—did not come forward, and today those moderates are showing fidelity to the Iran Revolution by leading the charge against the United States in the Persian Gulf.

In brief, the policy of selling arms to Iran, in my view at least, simply cannot be defended as in the interests of the United States. There were and there are other means to achieve that opening which should have been used.

Now, let me comment on process as well. First, with regard to the covert actions, you and I agree that covert actions pose very special problems for a democracy. It is, as you said, a dangerous world, and we must be able to conduct covert actions, as every

member of this panel has said, but it is contrary to all that we know about democracy to have no checks and balances on them. We have established a lawful procedure to handle covert actions. It is not perfect by any means, but it works reasonably well.

In this instance, those procedures were ignored. There was no Presidential Finding in one case, and a retroactive Finding in another. The Intelligence Committees of the Congress were not informed, and they were lied to. Foreign policies were created and carried out by a tiny circle of persons, apparently without the involvement of even some of the highest officials of our government. The administration tried to do secretly what the Congress sought to prevent it from doing. The administration did secretly what it claimed to all the world it was not doing. Covert action should always be used to supplement, not to contradict, our foreign policy. It should be consistent with our public policies. It should not be used to impose a foreign policy on the American people which they do not support.

Mr. McFarlane was right. He told these committees it was clearly unwise to rely on covert action as the core of our policy, and, as you noted in your testimony, and I agree with you, it would have been a better course to continue to seek Contra funding through open debate. You have spoken with compelling eloquence about the Reagan Doctrine. Laudable as that doctrine may be, it will not succeed unless it has the support of the Congress and the American people.

Secondly, with regard to process, let me talk about accountability. What I find lacking about the events, as you have described them, is accountability. Who was responsible for these policies? For beginning them? For controlling them? For terminating them? You have said that you assumed you were acting on the authority of the President. I don't doubt your word, sir, but we have no evidence of his approval. The President says he did not know that the National Security Council staff was helping the Contras. You thought he knew, and you engaged in such activities with extraordinary energy.

You do not recall what happened to the five documents on the diversion of funds to the Contras. Those documents radically changed American policy. They are probably, I would think, the most important documents you have written. Yet you don't recall whether they were returned to you, and you don't recall whether they were destroyed, as I recall your testimony.

There is no accountability for an $8 million account earned from the sale of U.S. Government property. There is no accountability for a quarter of a million dollar account available to you. You say you never took a penny. I believe you. But we have no records to support or to contradict what you say. Indeed, most of the important records concerning these events have been destroyed. Your testimony points up confusion throughout the foreign policy making process. You have testified that Director Casey sought to create an on-the-shelf, self-sustaining, stand-alone entity to carry out covert actions apparently without the knowledge of other high officials in the government.

You have testified there was an unclear commitment to Israel concerning replenishment of missiles to Iran. You have testified

that it has never been U.S. policy not to negotiate with terrorists; yet the President has said the opposite, that we will never negotiate with terrorists. You have testified that a lot of people were willing to go along with what we were doing, hoping against hope that it would succeed, and willing to walk away when it failed.

My guess is that is a pretty accurate description of what happened, but it is not the way to run a government. Secret operations should pass a sufficient test of accountability, and these secret operations did not pass that test. There was a lack of accountability for funds and for policy, and responsibility rests with the President. If he did not know of your highly significant activities done in his name, then he should have, and we will obviously have to ask Admiral Poindexter some questions.

The next point, with regard to process, relates to your attitude toward the Congress. As you would expect, I am bothered by your comments about the Congress. You show very little appreciation for its role in the foreign policy process. You acknowledge that you were "erroneous, misleading, evasive, and wrong" in your testimony to the Congress. I appreciate, sir, that honesty can be hard in the conduct of government, but I am impressed that policy was driven by a series of lies: lies to the Iranians, lies to the Central Intelligence Agency, lies to the Attorney General, lies to our friends and allies, lies to the Congress, and lies to the American people.

So often during these hearings, not just during your testimony, but others as well, I have been reminded of President Thomas Jefferson's statement: "The whole art of government consists in the art of being honest."

Your experience has been in the Executive Branch, and mine has been in the Congress. Inevitably our perspectives will differ. Nonetheless, if I may say so, you have an extraordinarily expansive view of Presidential power. You would give the President free rein in foreign affairs. You said on the first day of your testimony, and I quote, "I didn't want to show Congress a single word on this whole thing."

I do not see how your attitude can be reconciled with the Constitution of the United States. I often find in the Executive Branch, in this administration, as well as in others, a view that the Congress is not a partner but an adversary. The Constitution grants foreign policymaking powers to both the President and the Congress and our foreign policy cannot succeed unless they work together. You blame the Congress as if the restrictions it approved were the cause of mistakes by the administration; yet congressional restrictions in the case of Nicaragua—if the polls are accurate—reflected the majority view of the American people.

In any case, I think you and I would agree that there is insufficient consensus on policy in Nicaragua. Public opinion is deeply divided, and the task of leadership, it seems to me, is to build public support for policy. If that burden of leadership is not met, secret policies cannot succeed over the long term.

The fourth point with regard to process relates to means and ends. As I understand your testimony, you did what you did because those were your orders, and because you believed it was for a good cause. I cannot agree that the ends justified these means, that

the threat in Central America was so great that we had to do something, even if it meant disregarding constitutional processes, deceiving the Congress and the American people. The means employed were a profound threat to the democratic process.

A democratic government, as I understand it, is not a solution, but it is a way of seeking solutions. It is not a government devoted to a particular objective, but a form of government which specifies means and methods of achieving objectives. Methods and means are what this country is all about. If we subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end, we have weakened our country, and we have not strengthened it.

A few do not know what is better for Americans than Americans know themselves. If I understand our government correctly, no small group of people, no matter how important, no matter how well intentioned they may be, should be trusted to determine policy. As President Madison said, "Trust should be placed not in a few but in a number of hands."

Let me conclude. Your opening statement made the analogy to a baseball game. You said the playing field here was uneven and the Congress would declare itself the winner. I understand your sentiments, but may I suggest that we are not engaged in a game with winners and losers. That approach, if I may say so, is self-serving and ultimately self-defeating. We all lost.

The interests of the United States have been damaged by what happened. This country cannot be run effectively when major foreign policies are formulated by only a few, and are made and carried out in secret, and when public officials lie to other nations and to each other.

One purpose of these hearings is to change that. The self-cleansing process, the Tower Commission, and these joint hearings, and the report which will follow, are all part, we hope, of a process to reinvigorate and restore our system of government.

I don' have any doubt at all, Colonel North, that you are a patriot. There are many patriots in this country, fortunately, and many forms of patriotism. For you, perhaps patriotism rested in the conduct of deeds, some requiring great personal courage, to free hostages and to fight communism. And those of us who pursue public service with less risk to our physical well-being admire such courage.

But there's another form of patriotism which is unique to democracy. It resides in those who have a deep respect for the rule of law and faith in America's democratic traditions. To uphold our Constitution requires not the exceptional efforts of the few but the confidence and the trust and the work of the many.

Democracy has its frustrations. You've experienced some of them, but we—you and I— know of no better system of government, and when that democratic process is subverted, we risk all that we cherish.

I thank you, sir, for your testimony. And I wish you and I wish your family well.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

Colonel North, Mr. Sullivan, I think we are now at the end of a long 6 days. The questions I had cannot be answered because some of those who could have answered these questions are not here with us and, furthermore, I am certain you will agree with me, that we have had enough questions here.

I'd like to first, before proceeding with my statement, because of the call of fairness, clarify the record. Much has been said about fairness to the witness, fairness to the President, fairness to the government.

In response to a question of two of my fellow panel members relating to the bombing of Libya, you said, for example, today, "When the briefing conducted by the President concluded at about 5:00 or 5:30, two Members of Congress"—and you meant two Members of the Senate—"proceeded immediately to waiting microphones and noted that the President was going to make a heretofore unannounced address to the nation on Libya.

"I would tell you that the volume of fire over the Libyan capital was immense that evening. Two American airmen died as a consequence of that antiaircraft fire, as best as we can determine. They alerted our adversaries."

When the response was first made a few days ago, I checked with the senior officials of the Senate and looked into the record.

First, when the briefing was concluded, these two Members did not stop at the bank of microphones near the White House. They immediately left and returned to the Senate. There they were confronted by members of the press. One leader responded, "No comment." The other said, "You should ask the President the question. He might have something to say tonight at 9:00."

The 18 U.S. F-111s left Britain on Monday, April 14 at 12:13 p.m. The briefing began at 4:00 and the bombs fell at 7:00. However, a week before the bombing, "CBS Evening News" had this to say: "Top U.S. officials acknowledge that detailed military contingency plans for retaliation already exist. Said one source, 'They involve five targets in Libya.' "

On the same day, the *Wall Street Journal* had this to say: "U.S. officials are putting out the word that they are laying the groundwork for possible retaliatory actions against Libya for a suspected involvement in the bombing of a West Berlin discotheque."

Then the next day, Tuesday, April 8, the *Wall Street Journal,* again: " 'Reagan and his advisers are united in wanting to respond militarily against Qadhafi but haven't agreed on a time or place to strike back,' a senior administration official said."

On the same day, CBS Evening News: "Forty-eight hours after the bombing in West Berlin, the Reagan administration has reached a consensus for military retaliation against Libya."

On Wednesday, April 9, CBS Evening News: "According to a highly-placed source, President Reagan has approved another possible military strike against Libya. The White House denied rumors today that a military response was already underway, but a well-placed intelligence source said that a military response has been approved."

That same evening, ABC World News Tonight: "The understanding now is that a strike against Libya is in the works. If it comes to

that, seldom will U.S. military action have been so widely and publicly advertised in advance."

Thursday, April 10th, we are getting closer to the day. NBC Today Show: "administration officials say that intense planning is underway for retaliation against Libya."

On the same day, the *New York Times:* "an administration official said that Libyan military sites were the prime options under consideration for retaliation and that among the key possibilities are Libyan air bases near the coast. The official said that coastal electronic listening posts, including early warning radar sites, as well as units that pick up airplane and ship traffic, are also key targets." And as we know, they were the targets.

On Friday, April 11, NBC Today Show: "The goal is to strike as many targets as possible, as close to the coast to reduce the danger to American aircraft."

Saturday, April 12, *New York Times:* "Administration officials speculated that the Walters trip placed in abeyance, at least for the moment, a retaliatory strike against Libya, but officials declined to rule out a raid, even in the next 48 hours."

Associated Press: "The British Mail on Sunday said Mrs. Thatcher had 'cleared the way for President Reagan to use British bases to launch a massive new air attack on Libya.'"

Another AP: "Italian Premier Bettino Craxi told reporters Saturday, April 12 in Milan, 'I don't believe there will be a military intervention there before Monday.'"

The same evening, NBC Nightly News: "By Monday, the diplomatic lobbying tour will be complete, and administration sources indicate that means a strike could come as early as Tuesday."

Washington Post: "After consulting conservative Prime Minister Jacques Chirac by telephone, Mitterand decided to reject the United States request for overflight rights, and the French refusal was communicated to Washington the following morning, Saturday, April 12."

And the day before the bombing, NBC Nightly News:—"Administration officials say the President is moving toward a decision about whether to make a retaliatory strike against Libya, and White House officials confirm the President will have a special national security meeting tomorrow to evaluate the situation. Today, the President conferred with Vice President Bush and Secretary of State Shultz, both of whom are believed to favor a military strike. Notably absent from the Camp David meeting was Defense Secretary Weinberger, who is believed to oppose such action."

I think it is grossly unfair to suggest that two American lives were lost because one leader said, "No comment," and the other said, "I believe you should ask the President. He may have something to say tonight at 9."

From the beginning of the history of mankind, organized societies, whether they be tribes or clans or nations, have nurtured and created heroes. Because heroes are necessary to serve as a cement to unite people, to bring unity in that nation.

It provides glory to their history. It provides legends. We have many heroes. This hearing is being held in Washington, the city of heroes, the city of monuments. We have hundreds of monuments in this city.

In the Capitol, in Statuary Hall, each State has honored two of their heroes or heroines. The State of Hawaii honors King Kamehameha, the Warrior King, and Father Damien, who is soon to become a saint.

And if you step on the west steps of the Capitol and look down the majestic Mall, you will see the Monument of George Washington, very majestic. I remember as a child, long before I heard of the Revolutionary War, that one day George Washington was confronted by his father, who asked, "Who cut the cherry tree?" And little George answered, "Father, I cannot lie. I cut the cherry tree." It was an important lesson to all little children, and I believe it still is a very important lesson.

Then, if you go further down, you will see the Lincoln Memorial, where we honor a great President for the courage he demonstrated in upholding the brotherhood of man. It wasn't easy during those days.

Then you have Arlington, a sacred place. Men you served with and men I served with use that as their final resting place, all heroes.

Then you have Lee's Mansion. This was the home of that great gentleman from Virginia. We honor him today for his great demonstration of loyalty and patriotism.

And as we get back to the Lincoln Memorial and nearby, we see this new and exciting monument, one to your fellow combat men, the Vietnam Memorial.

I believe during the past week, we have participated in creating and developing, very likely, a new American hero. Like you, who as one has felt the burning sting of bullet and shrapnel and heard the unforgettable and frightening sounds of incoming shells, I salute you, sir, as a fellow combat man. And the rows of ribbons that you have on your chest will forever remind us of your courageous service and your willingness—your patriotic willingness to risk your life and your limb.

I am certain the life and burdens of a hero will be difficult and heavy, and so, with all sincerity, I wish you well as you begin your journey into a new life.

However, as an interested observer, and as one who has participated in the making of this new American hero, I found certain aspects of your testimony to be most troubling. Chairman Hamilton has most eloquently discussed them.

Because, as a result of your very gallant presence, and your articulate statements, your life, I am certain, will be emulated by many, many young Americans. I am certain we will, all of us, receive an abundance of requests from young citizens throughout the land for entrance into the privileged ranks of cadets of the Military Services.

These young citizens, having been imbued with the passion of patriotism, will do so; and to these young men and women, I wish to address a few words.

In 1964, when Colonel North was a cadet, he took an oath of office like all hundreds throughout the service academies. And he also said that he will abide with the regulations which set forth the cadet honor concept.

The first honor concept, first because it is so important, over and above all others, is a very simple one: A member of the brigade does not lie, cheat, or steal. And in this regulation of 1964, the word "lie" was defined as follows:

"A deliberate oral or written untruth; it may be an oral or written statement which is known to be false or simple response to a question in which the answer is known to be false."

The words "mislead" or "deceive" were defined as follows: "A deliberate misrepresentation of a true situation by being untruthful or withholding or omitting or subtly wording information in such a way as to leave an erroneous or false impression of the known true situation."

And when the Colonel put on his uniform and the bars of a Second Lieutenant, he was well aware that he was subject to the Uniform Code of Military Justice. It is a special code of laws that apply to our men and women in uniform.

It is a code that has been applicable to the conduct and activities of Colonel North throughout his military career, and even at this moment. And that code makes it abundantly clear that orders of a superior officer must be obeyed by subordinate members. But it is lawful orders.

The uniform code makes it abundantly clear that it must be the lawful orders of a superior officer.

In fact, it says, "Members of the military have an obligation to disobey unlawful orders."

This principle was considered so important that we, we the Government of the United States, proposed that it be internationally applied in the Nuremberg trials and so in the Nuremberg trials, we said that the fact that the defendant——

Mr. SULLIVAN. Mr. Chairman, may I please register an objection. I find this offensive. I find you are engaging in a personal attack on Colonel North and you are far removed from the issues of this case.

To make reference refer to the Nuremberg trials, I find personally and professionally distasteful, and I can no longer sit here and listen to this.

Chairman INOUYE. You will have to sit there if you want to listen.

Mr. SULLIVAN. Mr. Chairman, please don't conclude these hearings on this unfair note. I have strong objections to many things in the hearings and you up there speak about listening to the American people.

Why don't you listen to the American people and what they have said as a result of the last week? There are 20,000 telegrams in our room outside the corridor here that came in this morning.

The American people have spoken and please stop this personal attack against Colonel North.

Chairman INOUYE. I have sat here listened to the Colonel without interrupting. I hope you will accord me the courtesy of saying my piece.

Mr. SULLIVAN. You may give speeches on the issues, it seems to me; you may ask questions. But you may not attack him personally. This has gone to far in my opinion.

Chairman INOUYE. I am not attacking him personally.

Mr. SULLIVAN. That is the way I hear it, sir.

Chairman INOUYE. Colonel North, I am certain it must have been painful for you as you stated to testify that you lied to senior officials of our government, that you lied and misled our Congress and believe me it was painful for all of us to sit here and listen to that testimony. It was painful.

It was equally painful to learn from your testimony that you lied and misled because of what you believed to be a just cause, supporters of Nicaraguan Freedom Fighters, the Contras.

You have eloquently articulated your opposition to Marxism and communism. And I believe that all of us, I am certain all of us on this panel, are equally opposed to Marxism and communism.

But should we in the defense of democracy adopt and embrace one of the most important tenets of communism and Marxism: the ends justify the means?

This is not one of the commandments of democracy. Our government is not a government of men, it is still a government of laws.

And finally, to those thousands upon thousands of citizens who have called, sent telegrams, and written letters. I wish to thank all of you most sincerely and commend you for your demonstrated interest in the well being of our government, of our freedoms, and our democracy.

Your support or opposition of what is happening in this room is important, important because it dramatically demonstrates the strength of this democracy.

We Americans are confident in our strength to openly and without fear put into action one of the important teachings of our greatest Founding Father, Thomas Jefferson, who spoke of the right to dissent, the right to criticize the leaders of this government and he said, "The spirit of resistance to government is so valuable on certain occasions that I wish it to be always kept alive. It will often be exercised when wrong, but better so than not to be exercised at all."

Unlike communism, in a democracy such as ours we are not afraid to wash our dirty linen in public. We are not afraid to let the world know that we do have failures, and we do have shortcomings.

I think all of us should recall the open invitation that we send to the press of the world to view the space flights, to record our successes and record our failures.

We permit all to film and record our space flights. We don't, after the fact, let the world know only of our successes. And I think we should recall that we did not prohibit any member of the world press to film and record one of the bloodiest chapters of our domestic history, the demonstration and riots in the civil rights period.

This was not easy, to let the world know that we had police dogs and police officers with whips and clubs denying fellow citizens their rights, but I have always felt that as long as we daily reaffirm our belief in and support of our Constitution and the great principle of freedom, that was long ago enunciated by our Founding Fathers, we will continue to prevail and flourish.

I would like to make one more closing remark. Throughout the past 10 days, many of my colleagues on this panel in opening their

questions to the Colonel, prefaced their marks by saying, "Colonel, I am certain you know that I voted for aid to the Contras."

Ladies and gentlemen and Colonel North, I voted against aid to the Contras. I did so not as a Communist. I did so not as an agent of the KGB. I did so upon information that I gathered as a Member of the bipartisan Commission on Central America based upon information that I gathered as Chairman of the Foreign Operations Committee, based upon information that I gathered as a senior member of the Defense Subcommittee, and based upon information that I gathered as Chairman and Member of the Senate Intelligence Committee.

I voted against aid to the Contras. It wasn't easy to vote against your Commander in Chief. It is not easy to stand before my colleagues and find yourself in disagreement, but that is the nature of democracy.

I did so because I was firmly convinced that to follow the path or the course that was laid down by the Reagan proposal would certainly and inevitably lead to a point where young men and women of the United States would have to be sent into the conflict, and Colonel, I am certain, having experienced warfare, that is not what we want our young people to go through again.

You have lost many friends and their names now are engraved on the black marble. I have lost many friends who are buried throughout this land. I know that the path of diplomacy is frustrating, at times angering, but I would think that we should give it a chance if it means that with some patience we could save even one life, and so that is why I wish my colleagues to know that I voted against aid to the Nicaraguan Freedom Fighters.

This has been a long day. I know that all of us are desirous of a rest.

Colonel North, with all sincerity, I thank you for your assistance these past 6 days. You have been most cordial, and your presence here should make your fellow officers very proud of the way you have presented yourself.

And to your lady, I wish her the best. She has sat there throughout these days with patience and grace. You have a fine lady.

The panel will stand in recess for 10 minutes.

[Brief recess.]

Chairman INOUYE. The hearing will please come to order.

Although, I am certain the record will show that Mr. McFarlane is still under oath. Mr. Garment, do you believe we should repeat the oath again?

Mr. GARMENT. It is entirely up to you, sir.

Chairman INOUYE. Please rise, sir.

[Witness sworn.]

CONTINUED TESTIMONY OF ROBERT C. McFARLANE, FROM MAY 14

Mr. BROOMFIELD. Mr. Chairman, I would like to raise a point of order just for clarification. I wonder if the chair would advise the panel as to what the future precedent of the committee is going to be in view of allowing Mr. McFarlane to come back and testify?

What is your plan for others that wish to come back and have a second time?

Chairman INOUYE. Because of the unique nature of this request, Mr. McFarlane gave his testimony before we had received any information from Colonel North and as a result, I don't believe that Mr. McFarlane was in any position to respond.

Secondly, in the cases of, say, for example, Admiral Poindexter, he will be testifying after the fact, and so we felt that in fairness to Mr. McFarlane and at his request, we decided to take this extraordinary step. We do not wish to make this a precedent. I would like to announce that in the future if other witnesses feel that their characters have been impugned, I would advise and recommend that their testimony be taken together with counsel in deposition.

Mr. BROOMFIELD. Thank you, Mr. Chairman.

Chairman INOUYE. But I believe the witness that was just before us, Colonel North, is without question one of the most important that this panel will receive. Therefore, of this unique nature, we felt that it was only proper in the name of fairness to permit Mr. McFarlane to testify.

Mr. MCCLURE. Mr. Chairman, so that I might not be misunderstood at a later date, and I don't intend to make any issue over Mr. McFarlane's appearance here today, but I think it is outside of the process that we had understood that we were following and I, for one, wish we had not done it at this time.

Chairman INOUYE. Well, it was a possibility at all times because I am certain you will recall that whenever a witness was finished with his testimony, the chair advised the witness that we may call you back. I think the record will show this very clearly in the case of this witness.

Mr. MCCLURE. Again, Mr. Chairman, I don't wish to make an issue of it. Mr. McFarlane is here. I don't mean to second guess the chairman. I think you have tremendous responsibilities in trying to make this a fair hearing and preserve it's appearance of fairness as well as the reality of fairness. I don't mean to impugn that motive at all.

It's just that my concern is that whenever a witness feels that some other witness has testified in a way they don't agree with, they may wish to have another day in court. And I just don't know where that's going to end. If indeed Mr. McFarlane feels that Mr. North's testimony was at variance with his experience, I suspect the same thing may be true of every other witness we have heard or will hear.

Chairman INOUYE. It is a problem that we will have to face as they present it to us. I am certain we will do our best to abide with the rule of fairness.

Mr. SARBANES. Mr. Chairman——

Chairman INOUYE. Yes sir.

Mr. SARBANES. —as I understand it, Mr. McFarlane requested the committee for the opportunity to appear to testify, is that correct?

Chairman INOUYE. The Senator is correct.

Mr. SARBANES. The committee was therefore faced with having to decide whether to accede to that request and his appearance today

represents a decision by the chair that he should be allowed to come and testify?

Chairman INOUYE. The Senator is correct.

Mr. SARBANES. He was not recalled by the committee, is that correct?

Chairman INOUYE. The Senator is eminently correct, sir.

Mr. SARBANES. Thank you, Mr. Chairman.

Chairman INOUYE. And I think it should be noted that Mr. McFarlane initially appeared before us and does so again without any grant of immunity.

I have been advised, Mr. McFarlane, that you have a statement that you wish to make?

Mr. MCFARLANE. Yes, sir Mr. Chairman.

Chairman INOUYE. Please proceed, sir.

Mr. MCCLURE. Might I ask, has this statement been filed with us for 48 hours?

Chairman INOUYE. No, it has not been because the request came in yesterday.

Mr. MCCLURE. Thank you, Mr. Chairman.

Mr. MCFARLANE. Mr. Chairman, I appreciate the opportunity to take part once more in the committee's efforts to use these hearings on the Iran-Contra matter to identify ways in which the processes used to formulate and carry out American foreign policy can be improved. Since last I was here, the committee has heard very important testimony. In particular, I would cite that of Ollie North. Perhaps as never before in this administration, the nation was treated to a comprehensive explanation of just what United States interests are in Central America, how those interests are threatened, and why our support was—for the Contras was, and is in my judgment, still justified.

It was a superb performance, passionate in delivery, and persuasive in argument. And for it, all of us, I think, are deeply indebted to Colonel North.

In addition, as a personal opinion, I believe that everything that has been said by committee members and others about Colonel North's bravery and devotion to his country is true, and I say that as one who knows, for I have worked with Ollie for many, many years.

As is to be expected, just as new testimony sheds light on previous areas of darkness, it may also raise new questions which require further illumination. Such is the case here. For just as millions—literally millions of Americans found themselves saying over and over again during Ollie's testimony "His goals were certainly right", or "I agree with the ends that he was seeking," many of the same people found themselves asking, "I wonder if the means have to include lying?" or, "Do we really want to keep the Congress completely in the dark?" or, "Shouldn't there be some system of accountability?"

I'm here today because I want the record to be clear regarding my beliefs about how our government should function in the sensitive area of covert actions under our Constitution. I believe accountability is at the heart of our system of government. Also, while recognizing that the recollections of detail of events may differ between people, that honest witnesses who are busy with

many matters inevitably will have different recollections of the same events many years later, and there's also the tendency for recollection to be colored by the way one would have liked to have acted, not the way in which one in fact did. And there are in my judgment some core facts about which I feel it's necessary to speak.

At the outset, there seems to me to be a consensus, at least within the committee, regarding the legitimacy of and need for covert actions. Simply put, we aren't in a competition with a democratic opponent. For the other side, unrestrained, covert actions are a way of life. And just as they support Leninist political parties in developing countries, we had better be able to use a range of means to support people who aspire to freedom or they will perish and our own freedom as we know it will be in jeopardy.

I also believe there is a consensus around the proposition that both the funding level and the intended scope of covert activities should be relatively modest. Any foreign policy issue that involves threats to truly vital national interests, the resolution of which will take significant funding for a long period of time, had better have the understanding and support of the American people going in. That support is engendered by vigorous public debate, something that is impossible in the case of covert actions which must remain private.

Well, if we agree on these two points, then the question becomes how covert actions ought to be conducted so as to maximize the prospects for their success as well as to minimize the damage if they fail.

It seems to me that the answer to this question, especially under conditions of governance that we face today, in which one party occupies the White House and the other control of the Congress, must be cooperation and compromise between the two branches.

Needless to say, such an approach is inherently infeasible if either branch lacks integrity, that is, if either the Executive Branch ignores congressional restriction or fails to give the Congress full and complete information, or, alternatively, if the Congress cannot protect the secrecy of information it is given, or through frequent changes of law demonstrates irresolution, as it certainly has here.

Coming to cases, the issue before you concerns what went wrong when the Congress and the President disagreed over United States support for the Contras.

First, if preventing the consolidation of an alien regime in Nicaragua was so important, the President should not have pinned his hopes in 1981, on a covert action for the reasons that I've discussed in earlier testimony.

Second, once he did so, however, the Congress, in my judgment, worsened matters considerably by requiring the United States to break faith with these people before the policy had been given a fair chance to be tested.

Third, notwithstanding the congressional vacillation, once the Congress spoke, the administration should have listened, even though to do so would have surely involved a tragic loss of life among those in Nicaragua who had become publicly and fatally identified by the Sandinistas.

Alternatively, the administration could have chosen, as it apparently did, to disregard the Congress and pursue support for the Contras, relying entirely on private support. In my judgment, doing so was wrong for three reasons.

First, there was very little prospect that this course would have been sustained by private funding at anywhere near the levels that could be poured in by the Soviet Union from the other side. In short, it would ultimately fail and at a much larger cost in terms of human lives.

Second, it would be politically unwise to do so. For by going it alone, without congressional support, the current furor was almost guaranteed. And when it came, the President would be, as he is today, without allies to share in the defeat.

Third, however, and most important in my judgment, to have chosen to establish a legal precedent concerning the President's sole responsibility to conduct foreign policy on an issue that was so poorly understood by the people of this country and by behaving as if the President is not accountable to anyone is simply wrong. The concept of accountability is firmly rooted in our political history for a very good reason. While in time of war one might imagine a justifiable transgression of law by a President to avoid a catastrophe, even the limited exercise of this license has been a matter in which Presidents have traditionally been very careful to enlist the support of Members in Congress who would be there to share the blame if something goes wrong.

The other reason for assuring accountability is also compelling. Without accountability, the temptation for a President to go beyond prudent limits to salvage a failing policy, especially if the majority in office is of the opposite party, will be virtually irresistible. And in circumstances of distress, while relying upon private parties who may not be competent or incorruptible, the margin for not just failure but for the establishment of a climate of enduring hostility with the Congress is dangerously high.

Colonel North testified that I gave him general authority to conduct covert operations involving widespread military and paramilitary activities based upon the position that the Boland Amendment did not apply to the NSC staff. He also stated that he kept me advised of all of his activities. Colonel North did report to me from time to time on a few, but certainly not all, of the activities that went beyond mere political support for the Contras.

The committee has seen those memoranda, all six of them. One, for example, involved his request for permission to ask a private U.S. donor to provide a helicopter to the Contras. I specifically disapproved this proposal and noted that I did not believe that it was legal. On other memoranda in which Colonel North asked me to solicit funds from foreign governments, I rejected the proposals, and that is stated on the face of those documents, and you have them.

On other memos, I did not respond or the proposals were mooted by events. But implicit in all of this was the premise that the Boland Amendment governed our actions. This is not to say that it isn't reasonably and properly subject to a court test, and I believe it should be. But on my own, I determined that because I had engaged and Don Fortier had engaged for days and weeks with mem-

bers of this committee and others; Chairman even and ranking members of the House Foreign Affairs Committee and the Senate counterpart and others who would vote on this measure spent literally days and nights trying to forge compromise. At the end of it, we lost.

And it was very evident that the intent of the Congress was that this amendment applied to the NSC staff. So it was a political judgment on my part without prejudice to the legal position that must ultimately be determined by the courts. And I think also that the evidence that surely I did believe that the Boland Amendment applied to the NSC staff is expressed in the fact that otherwise why would we have worked so hard to get rid of it after it was passed? If we felt that we were not covered, what was I doing, what was Don doing coming up here day after day trying to get rid of it?

Colonel North testified that he and Director Casey had agreed upon a full-service operation to support the Contras using nonappropriated funds. I never heard of any such full-service operation from either Director Casey or Colonel North, and I certainly never concurred in one.

But, more importantly, I do not want the record to reflect that I subscribed to the notion that the Executive Branch can or should establish a self-sustaining private enterprise to carry out activities outside the oversight of the Congress. Colonel North has testified that he did not recall that I had directed him not to solicit funds to support the Contras. I did instruct him not to solicit funds, and according to his own testimony, and apparently other evidence, in fact he did not do so.

Colonel North also assured me that he was not soliciting funds when, as I have testified, I questioned him on this subject before signing the letter that he drafted for me to send to Congressman Barnes and to Chairman Hamilton later. Colonel North also testified that at a time before Congressman Barnes came to my office in October of 1985, when I drew Colonel North's attention to certain of his memoranda to me that raised doubts about his compliance with the law, I then instructed him, in Colonel North's words, to "fix them." This is incorrect.

In fact, Ollie proposed revision of certain of the documents, but only to conform them to his actual intent, which he said that I had misunderstood. He gave me an order to obtain my go-ahead for the project, two revised pages of which were grossly at variance with the original text, so I did not approve them. I did not return them, and I ultimately discarded them.

The effort, so far as I was concerned, was ended. Prior to my testimony, during questioning by the committee staff, I learned for the first time that within days before Colonel North left the White House in November of 1986, he withdrew these documents and altered them. This was done without my knowledge or concurrence.

Colonel North testified that I directed the White House chronologies be altered to say that everyone in the U.S. Government believed in November 1985, that "oil-drilling parts" were being shipped by the Government of Israel. This is not true. Colonel North advised me on the evening of November 18, 1986, on the one brief occasion when I was involved in the chronology process at all, that no one in the U.S. Government was aware that HAWKs were

involved in that shipment until January 1986. I had no clear recollection of the matter, having spent the entire period variously in Geneva, Rome, Paris, London, California, but not Washington.

Accordingly, my addition to the chronology on this subject, which is contained in a November 18, 1986 PROF note to Admiral Poindexter—that is exhibit 56 to my testimony—states only what I knew to be accurate. It states that in addition to the shipment of TOW missiles in the summer of 1985, "other transfers of equipment" were made in the fall. It is a subsequent version written after I left town the next day, specifically the November 20 version, that discusses "oil-drilling parts"—apparently language similar to Director Casey's prepared testimony with which I had nothing to do whatsoever.

There are a number of facts upon which Colonel North's recollection differs from mine, but they are marginal to our basic disagreement.

That disagreement involves a clear implication from his testimony that I authorized an operation involving pervasive disregard of statutory restraints, that I permitted, with knowledge, the creation of a separate clandestine and far-reaching network of private operations that involved private profits and which was to be concealed even from other members of the Executive Branch, officials who were entitled to know the details of an authorized covert operation.

It is true that the conduct of a covert operation consistent with the narrow and changing restrictions of the various Boland Amendments required determinations of authority that were difficult and debatable and in the long run could have been dangerous.

But this is a far cry from saying that I or other members of the administration authorized what was clearly beyond anyone's power to authorize, specifically the so-called full-service offshore operation of Messrs. Secord, Hakim, and Ghorbanifar.

This is untrue because it is unthinkable. It violates every tenet of my political beliefs, everything that I have sought throughout my career to sustain and advance.

These are my beliefs in the rule of law and the doctrine of accountability.

These are the essence of the constitutional form of government which I have fought in war to defend, which I worked in Congress here to carry out and were part of my deepest beliefs when I served in the Executive Branch as counselor to the Secretary of State and as the President's National Security Adviser.

Finally, I would like to say something about all the talk going around about who was to be the fall guy that took place during Ollie's testimony.

No such plan existed, to my knowledge. I know I wasn't party to any such planning before I left government at the end of 1985. But I don't doubt for a minute that Ollie would have offered to step forward to protect me or his Commander in Chief or both. It would be as much in character for him to do this as it would have been for him to throw himself on a grenade to protect his comrades, colleagues in battle.

But surely we can agree on one thing: Ollie North should not be the fall guy or scapegoat or sacrificial lamb for anyone.

Ollie acted at all times without regard to personal gain and was motivated by devotion to the people that he loves, the Freedom Fighters of Nicaragua.

Mutual recriminations about it are out of place. Surely we can make distinctions between profiteers and patriots like Ollie North.

The time is at hand to stop assessing the damages and counting the wounded and to begin the job of repair. We simply have to live and work within the lessons of this experience learned in some measure by everyone or we risk the worst and most lasting injury of all, the anger and bitterness of an atmosphere of unresolved and unending constitutional confrontation.

This is the last but the most urgent matter that I would like to discuss today.

Thank you, Mr. Chairman.

Chairman INOUYE. Thank you very much.

The Chair recognizes—before I recognize any member of the panel, I would like to advise everyone here that we will adopt a new and radical procedure. The staff will not question Mr. McFarlane.

Mr. Nunn, you are recognized for 10 minutes. You can go on a second round if you wish to.

Mr. NUNN. I prefer that.

Chairman INOUYE. The vice chairman, Mr. Rudman.

Mr. RUDMAN.

Thank you, Mr. Chairman.

Mr. McFarlane, there were elements of that brief statement that are very compelling and in some ways very disturbing because I think that what we have here is a situation in which Oliver North in terms of having derived authority—there is very little that anyone here heard that would deny that he did.

You have testified as to the one area that concerns many of us so much. The one that obviously leapt off of the video screen into your head when they talked about the off-the-shelf, covert, privately funded, off-budget, nonaccountable covert capacity.

That is what obviously you were directing your attention to and if I understand your testimony today, you not only didn't authorize that, but further you did not know about that; is that correct?

Mr. MCFARLANE. That is correct, Senator Rudman.

I think—perhaps I stressed that too much—my intention really was not to be so concerned about that, but rather two other points. And that was the authority which Colonel North had assumed for these actions—not the full-service organization, but separately whence cometh directions for the coverup.

Mr. RUDMAN. Mr. McFarlane, there is a—there was a sense amongst the members of this committee that Colonel North, although he was working for you for a time and then for Admiral Poindexter, there is a very strong sense which was referred to in your initial testimony before our committee that maybe the line wasn't too clear between Mr. Casey and Colonel North, but it would appear from all that is involved here that he had a very unusual working relationship with the Director of the CIA, considering he worked for you.

Is that an accurate statement?

Mr. MCFARLANE. It is really speculation on my part. I really don't know what the relationship was.

Mr. RUDMAN. It would appear that he got authority from Mr. Casey to do things, if he didn't get it from you, according to his testimony.

Mr. MCFARLANE. Senator Rudman, I understand what you say. I just have no personal basis for confirming or denying it. I don't know whether that is so or not.

Mr. RUDMAN. Well, let me just ask a couple of other quick questions. It is your testimony today that this broad-ranging resupply effort which Colonel North testified he discussed in great detail with Mr. Casey and also said that you were informed of—that in terms of being generally informed, you were, but in terms of being specifically informed, you weren't; I want to understand your testimony.

I wasn't sure I followed it.

Mr. MCFARLANE. I think a separate point that hasn't been made at all is this. And that is that the Contra movement had been in operation in the field and under the advice of the CIA from 1981, through 1982, through 1983, and much of 1984, before the second Boland Amendment was enacted.

Now, one has to assume that during those more than 3 years of training by the CIA that they learned something, notably how to buy weapons and train people, conduct tactics and so forth.

I say that because I think frankly that it may have been too much of a crutch for me and for others to assume that once Boland was enacted and the Contras were on their own capable of continuing to buy arms, train, and so forth.

But to answer your question: to say that I was generally aware that the Contras were being resupplied, of course I was, and that the conduct of the battle was going on and so forth, certainly.

Whether or not Colonel North was involved to the extent that seems now evident is another matter.

Mr. RUDMAN. That is my question. I guess what you are saying is you were not—after hearing his testimony, what you are testifying here to is that you were not aware of the extent of his involvement?

Mr. MCFARLANE. That is correct.

Mr. RUDMAN. And it came as a surprise to Colonel North—the Tower Commission, of course, indicated that the President said he was not aware of the involvement of his NSC staff in the resupply effort to the Contras.

To the best of your knowledge, is that correct?

Mr. MCFARLANE. I think it is correct and I don't want to contribute as I think I did contribute in my earlier testimony to the fact that the President was witting of every single thing that Ollie did. For clearly he was not.

I briefed the President on what I thought Ollie was doing, but I don't want to lift the blame from my own shoulders. I did tell Ollie I want the movement to become more credible in the sense of political leadership, and I had no illusions whatsoever that Ollie was down there doing everything he could imagine to help the Contras.

But my judgment, and it is my judgment, and error if it is, was that no one single human being could undertake the sufficient

scale of activity to be in conflict with the law which I saw to be foremostly a prohibition on raising money and in no sense was I aware of those activities.

Mr. RUDMAN. One last question Mr. McFarlane. A very interesting note that you wrote on the 15th of November 1986 to Admiral Poindexter. It started out with a reference—a personal reference that you were heading to Chicago for a family event, and it is an analysis of what is happening with the whole Iran initiative coming apart. You referred to it tangentially in your earlier testimony I believe, but I would like to have your comment today. I will read it to you. It says, "A final comment"—this is to John Poindexter—"I lived through Watergate, John. Well-meaning people who were in on the early planning of the communications strategy didn't intend to lie but ultimately came around to it. I don't know how"—and it says "Regan will tend". I am not sure whether it is a typo or not, but it says, it's R-e-g-a-n. "I don't know how Regan will tend." He might choose two courses, either to push it off on someone outside the White House, which is fine with me, or he might go ahead with a 'Sell it on its merits strategy.' If the latter is the course followed it must not be confrontational but open and candid." And I assume that is Don Regan you are referring to on that, or is it Ronald Reagan? It says R-e-g-a-n.

Mr. MCFARLANE. It is Mr. Regan, but I don't want to impugn him.

Mr. RUDMAN. I just wanted to know what that meant.

Mr. MCFARLANE. Yes. The point was to say that there had been 10 working days since the story had broken, and there was no evidence on the public record of the adoption of a strategy for dealing with this very serious matter, and that just from experience it seemed to me that for as long as paralysis endures, the prospects for a flawed decision increase and that I thought they ought to get on to it—get on with it and get the full story out. It seemed to me that to be fair to Mr. Regan and the President chose the right course ultimately of trying to get the right story out and dealing with it. I did say if they chose on the other hand to blame it on me on the outside, that that was fine with me as well.

Mr. RUDMAN. Let me just read that into the record. I believe that is exhibit no. 53 of your exhibits. That should be in the record because I think you have clarified your earlier testimony which is important. Finally, Mr. McFarlane, I get the impression listening to you here today re-enforcing a view that I have already had, which Colonel North confirmed to a large extent, that although the line of command was rather direct from Colonel North to first you and then to Mr. Fortier and then you and then eventually to Admiral Poindexter—we will never probably really know—we will never know Mr. Casey's side—but it just seems to me that there was an unusual relationship between the Director of Central Intelligence and this Colonel, who I would think would have every reason to feel he could act with authority from the Director of Central Intelligence.

Colonel North says that he had informed you or Admiral Poindexter on each and every one of these initiatives, and I think the difference in testimony is that maybe the briefing wasn't in as

much detail, at least in your recollection, as Colonel North had stated here today.

Mr. MCFARLANE. Yes, sir.

Mr. RUDMAN. Thank you, Mr. McFarlane. I appreciate your testimony.

Chairman INOUYE. A vote is now in progress in the House of Representatives, and that explains the absence of House Members.

Senator Nunn.

Mr. NUNN. Thank you, Mr. Chairman.

Mr. McFarlane, we heard testimony over the last 2 or 3 days from Colonel North and we came back to it this morning and went through it in some detail about a transition as I view it that took place in January, late December, January 1986, December 1985, January of 1986. Colonel North described the January Finding from the President, which the President signed, as setting up 2 or 3 goals, including them trying to form a new strategic relationship with Iran, also getting the hostages back.

He also testified that he had, not using his words but paraphrasing, diminished confidence in those goals when he met with Mr. Nir and Mr. Ghorbanifar. I believe the meeting took place here in Washington.

He further testified that he expressed that concern and then he was taken or invited to join Mr. Ghorbanifar in the bathroom and at that stage new incentives were offered. One incentive he revealed this morning was a million dollar payment to him. You were not his superior during this timeframe, were you?

Mr. MCFARLANE. No, sir, I had left the government.

Mr. NUNN. Had you ever heard about that $1 million offer to Colonel North? Did anyone tell you about that?

Mr. MCFARLANE. No, sir, I have never heard of it before.

Mr. NUNN. The second incentive which seemed to have quite an impact, in his own words, again paraphrasing Colonel North, was the Ghorbanifar statement that the residual could be used—produced by the Iranian arms sale—could be used for support of the Freedom Fighters which he knew that Colonel North was involved in. Did you know about that since you were staying in touch during this timeframe?

Mr. MCFARLANE. No, sir. As I testified I first heard about the notion of diverting funds to the Contras on the trip in May of 1986 to Tehran.

Mr. NUNN. Now you have been the National Security Adviser. Colonel North stated that he came back and told Admiral Poindexter either orally or in writing or both, he wasn't sure which, that this new incentive was—paraphrasing—a major consideration. Would you not, based on your experience, think that since the operations officer had expressed diminished confidence in the original Finding, the goals set forth by the President of the United States, and that he had had an offer for a new type incentive, that is money, residuals for the Contras, would you not think that the operations officer having made that report to the National Security Adviser that that information would be of the nature that would go to the President of the United States?

Mr. MCFARLANE. Well, I think, Senator Nunn, for me to, with hindsight, project what I would have done is a little unfair to Ad-

miral Poindexter. I don't know what other considerations must have borne in his mind and I think John is a man of very sound judgment. While I was serving, if a change of that magnitude had appeared I would have reported it.

Mr. NUNN. I will ask you this question then just directly. I assume you have heard most of this testimony?

Mr. MCFARLANE. Yes, sir, a good bit of it.

Mr. NUNN. Would you agree with my assessment that this was a change of significant magnitude in terms of diminished confidence by the operations officer, Colonel North, in the original strategic goals and a new incentive being proposed?

Mr. MCFARLANE. Well, I have to answer yes, and yet if that PROF note was sent, for example, and I don't know this, concurrent to another memo that diminished its significance—in short, in context, which I don't have, it might be a matter of less emphasis by Colonel North. But under the terms that you cast it I think it is a fair assumption.

Mr. NUNN. I was trying to cast it in terms he did and I don't have his exact quotes now. That's what I was attempting to do. One other question, Mr. McFarlane.

Colonel North was under the clear impression, according to his testimony, that he did have your approval to ask General Secord to undertake the airlift effort. Is that a correct impression on his part? And that was the airlift effort for the Contra operation.

Mr. MCFARLANE. I heard the testimony on that point, Senator Nunn, and I was surprised by that. I don't recall being aware of General Secord's involvement with any activity really of support to the administration after he left until December of 1985, when on a visit to London for meetings with the Iranians I encountered him there. And no earlier offer or proposal to my knowledge for—either directly with Colonel North or for the Contras to engage him had ever come to my attention as far as I recall.

Mr. NUNN. Again, let me ask you something you have already testified to but since it came up in this recent testimony—did you authorize or did you know that Colonel North was asking Ambassador Tambs to open a Southern Front?

Mr. MCFARLANE. When I heard that testimony I did recall that Colonel North discussed with me whether or not it would be worthwhile for a Southern Front to be opened by the Contras. Well its manifestly in the interest of the Contras, if they could do it and bring it off to do that, so there wasn't a serious matter of argument on that score.

With regard to having Ambassador Tambs involved with it—to tell you the truth I am not sure what that would be. Surely Ambassador Tambs was not to be the man in the field that somehow organized the effort and supported it. My recollection is that the limit of the exchange was on whether or not the Contras, opening a Southern Front was a good idea, and I said if they can do it that's fine.

Mr. NUNN. Well, that could have implied, could it not, to Colonel North, that he had the authority in that case? It seems to me that based on what you have said he would be entitled to assume that he had authority when you said that what he had proposed was a good idea.

Mr. MCFARLANE. Well, to say that it is useful for a Southern Front to be opened seems to me a long leap but I think certainly I am not perfect and I can be misunderstood. I am only saying that with regard to directing Ambassador Tambs to become involved in anything, I just don't believe that occurred.

Mr. NUNN. One other question that you previously testified to that came up this morning, the Channell group. Did you know again that Colonel North was associated with the Channell group in the overall Contra effort—I won't call it solicitation, because we have been through that one in length, but whatever it was, did you know that he was involved with the Channell group?

Mr. MCFARLANE. No, sir, I didn't. The existence of the Channell group came to my attention when—I suppose everyone else's here—a few months ago. I had heard earlier that some group was promoting ads on television for SDI and for the Contra movement, but in the sense of raising money for direct linkage to the Contras, no, I was never aware of that.

Mr. NUNN. One final question, Mr. Chairman.

Testimony from Colonel North this morning indicated that you did authorize, as I recall, a July flight by Colonel North to meet with Calero, Bermudez, and Secord, concerning the airlift. Do you recall having authorized or having known about that—July 1985, and that was to Florida?

Mr. MCFARLANE. I heard that today, I believe, and I am not familiar with it. I don't recall that my permission or authority was asked. It is true that I was conscious that Colonel North did travel periodically to Miami for meetings with the Contras.

In fact, I think that is probably where the San Jose Declaration was written, and that is good. Whether or not one of those, cast as a meeting for political topics occurred in July 1985, I don't know, but a request to me for authorization to go down and to organize the Contras on resupply efforts, I do not recall whatsoever.

Mr. NUNN. Well, I suppose there is a difference here between knowing about and authorizing, and nuances, and words. But of these activities that you did not know about, were there any of them that you would not have considered authorized?

Mr. MCFARLANE. Well, I think basically, Senator Nunn, that the only activities that I would have considered—matters at least that I would have approved of—were the kinds of things that Colonel North could offer to the Contras on occasions when he visited them in the field that didn't involve strategy or even tactics, but what he naturally, inevitably as a military expert, and he is, would have given, just because it would have been almost impossible not to.

Furthermore, that he was authorized and directed, in fact, to try to fashion some kind of civilian membership in the leadership, and also to try to come up with a scheme that would be appealing to the Congress and perhaps even to the Sandinistas for a compromise.

Mr. NUNN. I guess what I am really asking is, if any of these things were unauthorized, could you tell us whether they were unauthorized, and which ones they were?

Mr. MCFARLANE. I think the easiest way to categorize it is this: the Contras had to continue in some fashion to buy beans, bullets,

bandaids and hardware of war. Now the line is closed when, instead of their doing that, Colonel North does that.

Now frankly, I would not even have objected strenuously if he told them where he thought they could get the best price and let them go and do it.

But it was my assumption that that was the nature of the relationship. Going beyond that to serve as liaison for them in the chartering of aircraft, the hiring of third parties to sell arms, things like that, went over the line from advice to an operational role, and that was not authorized.

Mr. NUNN. I thank the chair.

Thank you, Mr. McFarlane.

Chairman HAMILTON. Mr. Rodino?

Mr. RODINO. Thank you very much, Mr. Chairman.

Good afternoon, Mr. McFarlane.

Mr. MCFARLANE. Good afternoon, Mr. Chairman.

Mr. RODINO. Mr. McFarlane, after your interview with the Attorney General on Friday, November 21, 1986, you called Colonel North from a pay phone outside the Department of Justice.

During that conversation, did Colonel North indicate that someone from the Department of Justice had advised him to retain an attorney?

Mr. MCFARLANE. Mr. Chairman, I believe it was in that conversation that what you describe occurred. It occurred between Colonel North and me at some point. If not there, within a day or so.

Mr. RODINO. Did Colonel North also tell you that he had been advised that his phone and possibly your phone may be tapped?

Mr. MCFARLANE. Yes, sir.

Mr. RODINO. On Sunday, November 23d, Mr. McFarlane, you met with Colonel North in your office prior to North's interview with the Attorney General. Did Colonel North tell you at that time that the only potential problem that he saw was a memo he had written regarding the diversion of Iranian arms sales profits to the Contras?

Mr. MCFARLANE. Yes, sir.

Mr. RODINO. Let me ask you whether or not you know how Colonel North would have known that the memo had been found by the Department of Justice?

Mr. MCFARLANE. I don't believe that he said that he did know that, and my assumption was that he did not know. I did not know. The way he stated it at the time, he said, having gone through all of this in my mind, the only thing that I can think of that might be a problem is the channeling of money from the Iran account to the Contras.

And I said, "Well, that was approved, wasn't it, Ollie?" And he said, "Yes, it was. You know I wouldn't do anything that wasn't approved. But it is a matter of record, in a memo that I, North, think I wrote in February or March of 1986," and that is all he said.

Mr. RODINO. He didn't say that there was a possibility that that memo had been found by someone at the Department of Justice?

Mr. MCFARLANE. No, sir. If he knew that, he didn't say so.

Mr. RODINO. Mr. McFarlane, you testified before that the Attorney General was briefed by Colonel North regarding the use of

DEA agents to locate and extricate the hostages held in Lebanon. You also found that this plan included the use of large sums of private money to bribe foreign officials and others to gain information and ultimately the release of the hostages.

What I would like to know is, was the Attorney General aware of this plan?

Mr. MCFARLANE. Well, I think he was, and I say that because when Ollie brought the proposal to me, he proposed that because the DEA people were under the Attorney General's jurisdiction, Colonel North said, "Why don't I go to the Attorney General and brief him on this and get his judgment and support?"

I said, "Yes, please do that." And later, Colonel North came back to report that, "Yes, I have done that."

Mr. RODINO. That he briefed the Attorney General?

Mr. MCFARLANE. That is what he said, and I think, Mr. Chairman, that—I may be wrong—but I believe that later in a coincidental passing between myself and the Attorney General that he said, "I have talked to Ollie and I have absorbed the proposal and everything, and I believe we can do it." I believe I am almost certain about that.

Mr. RODINO. That the Attorney General did tell him?

Mr. MCFARLANE. I think so, yes, sir.

Mr. RODINO. Now, did he make a distinction as to the use of private moneys to bribe as against moneys that had come from the Contras?

Mr. MCFARLANE. Well, because I don't know what the briefing consisted of, it may have consisted simply of how Colonel North proposed the DEA agents be involved, which was to exploit their connection to a Lebanese that was close to the captors.

Whether or not Colonel North told him about the bribes and the funding required and so forth, I don't know. If he did, the Attorney General did not mention it to me.

Mr. RODINO. In other words, the Attorney General did not make a distinction between the use of private moneys and government moneys to bribe these foreign officials?

Mr. MCFARLANE. Well, again, I am not absolutely certain that the Attorney General has said this, but Colonel North did, in fact, draw a distinction between those two sources of money.

Mr. RODINO. And you are saying that Colonel North was told by the Attorney General about the distinction? Is that what you are saying?

Mr. MCFARLANE. No, sir. I am only saying that Colonel North told me that he drew a distinction between public and private funding for it. I don't know if he communicated that on to the Attorney General.

Mr. RODINO. He didn't tell you that he was informed by the Attorney General; is that what you are saying?

Mr. MCFARLANE. No, sir. He did not.

Mr. RODINO. Thank you very much, Mr. McFarlane.

Chairman HAMILTON. Mr. Fascell?

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. McFarlane, I have been trying to get a little better understanding of the extent of the public diplomacy effort that was undertaken as part of this entire operation. I know that a special sec-

tion was set up in the State Department, the Latin American Public Diplomacy Group, which reported to the Special Planning Group in the NSC on which Colonel North sat.

And as part of that, I was trying to pursue the efforts of this public diplomacy and the questions of private fundraising and the use of funds, et cetera.

Because, to me, from what I have seen so far in the documents and whatnot that have been made available to the committee, some of Colonel North's testimony. It appears to be a lot more extensive than we have ever heard—too much about.

So, I want to focus on that. For example, in 1985 and 1986, the Latin American Public Diplomacy Group which reported to the NSC, which took its orders from the RIG, as I understand it, and not the full National Security Council, decided to issue three contracts: $400,000 of government money went to Frank Gomez and Rich Miller operating as IBC, a private organization; and they used that money to carry out certain activities for the State Department, as I gather, a data base for this whole public diplomacy operation.

But then it gets fuzzy, because some way, somehow, private funds that were raised got into IBC, funds became fungible, there is no way to know whether it is government money or private money. And then we have direction to IBC to put the money into another account for somebody else, which was their offshore account. And then the money goes from there to Lake Resources and some other activities having to do with the Contras.

Now, that is just part of the public diplomacy thing. The other part had to do with lobbying Congress, commercial television, polling data that was made available on targeted Members of Congress, all in an effort to try to get a successful vote.

Now, that is the background, as I understand it. I want to ask you some questions about that. Because I wasn't quite clear from Colonel North's testimony whether he was directly connected, indirectly connected, or otherwise.

But I am going to ask one of our staff people to bring down to you a document that I want you to take a look at, because it is North document 217, Mr. McFarlane. And the reason I am asking you to do this is because it is a memorandum from Oliver L. North to Robert C. McFarlane.

I am not trying to do anything at this point, I assure you, not impugn Oliver North or get you in a box or anything else. I am just trying to find out basically what happened, because when you look at this document, the amount of work that went into the chronology event checklist prepared by Oliver North, it tasks almost every department of the U.S. Government; State, NSC, and others, the Vice President, and a whole list.

The list is unbelievable of the events that were put together, sent to you by Ollie North, according to this memorandum, and the subject was the timing and the Nicaraguan Resistance vote. And I think, Mr. Chairman, that this is a very important letter on this aspect of the discussions that we are having, so I want to take a minute and just read it.

"Attached at tab A"—and I wish you would follow me, Mr. McFarlane, so you will know I have read it correctly.

"Attached to tab A is the most recent version of the chronology of events aimed at securing congressional approval for renewed support to the Nicaraguan Resistance forces. This schedule results from the four communications/media meetings we have now had with Pat Buchanan's ad hoc working group."

Now, the use of the word "we" there is very important.

"Please note that the schedule continues to focus on a vote at the end of April, triggered by submission of the required report on or about April 15. In addition to the events depicted on the internal chronology at tab A"—which is lengthy—"other activities in the region continue as planned, including military operations and political action. Like the chronology, these events are also timed to influence the vote. Planned travel by Calero, Cruz, and Robelo, various military resupply efforts, timed to support significantly increased military operations immediately after the vote. We expect major Sandinista cross-border attacks in this timeframe. Today's resupply from (blanked out) went well, and special operations attacks against highly visible military targets in Nicaragua."

I am not demeaning any of this. I am not saying any of it is wrong. I am just demonstrating the scope of this activity.

"Some of these efforts will proceed whether or not the vote occurs as planned at the end of April. For example, today Bernardo Larios, former Sandinista Defense Minister, defected to Costa Rica and is now in Panama. You were briefed on this operation during the trip. Others, however, including the actions by U.S. interest groups, are very sensitive to the timing.

"Next week, the networks auction their time for 15, 30, and 60-second commercials during prime viewing hours. These groups are prepared to commit nearly $2 million for commercial air time and the production of various advertising media.

"If we are to retain their support, we must let them know by Friday whether or not they should proceed. To the maximum extent, we have tried to prevent the kinds of errors that will cost them financially or politically.

"Unfortunately, some, like the Young Republicans' ad, got through. This has been fixed. It is important that a decision be taken no later than noon Friday, March 22d, if we are to proceed with the events in the checklist, tab A, and those activities which support a vote at the end of April.

"Senator Durenberger plans to make a major speech on this issue at the National Press Club next Tuesday, March 26. We should at least give him a sense of what to expect before he speaks. You should also be aware that Director Casey has sent a personal note to Don Regan on the timing matter. We are attempting to obtain a copy for your use.

"Wirthlin has apparently completed an analysis on some recent polling data. It reportedly does not look good for a vote at this time.

"Finally, Jim Michael reminds that in your meetings with the Central American Heads of State, you told them that we would be quiescent during the early spring, but that in April, we would act. This description fits either scenario, going for the vote or a fallback option with sanctions. One way or the other, we need to have a decision.

"Recommendation: That you discuss this matter with Don Regan and urge that a decision be made on timing by noon on Friday, March 22d."

Now, I have been very careful in all of this process to read accurately. I am not suggesting that anything was wrong in this, that it looks like normal politics except for one thing. That is, that this whole public diplomacy, private funding, political operation, did actually reside in the National Security Council.

And so, the question is, do you recall this memorandum? Do you know whether you ever received it?

Mr. MCFARLANE. A short answer is no. No, Mr. Chairman. I think it is a misimpression to credit the Public Diplomacy Center for being at the NSC. I think if you count, for example, the number of people that are tasked to do an incredible number of things here, that they are throughout the Government and there are probably 25 or 30 individuals, and they wouldn't take being tasked if they hadn't participated in the meetings.

The meetings did take place, as far as I know, of the Latin American part of public diplomacy at the State Department and for most—in fact, all of the time I was in government, I think by Ambassador Otto Reich.

They did work closely with the RIG, which Colonel North participated in and Elliott Abrams and others, too. But they got the policy guidance from the RIG, and then Ambassador Reich's group would prepare papers like this. I imagine that his group probably prepared this.

Your key point, though, and I understand is, was that State Department chaired bureaucratic exercises connected in some fashion to private support? I don't know that. If it was, I don't know anything about it.

Mr. FASCELL. Well, this memorandum certainly would tend to indicate that, Mr. McFarlane, and if you say you didn't receive it or can't recall receiving it, then I can't ask you the next question as to whether or not it went to Don Regan, and whether or not this ever got approved. I can't ask you that, but we have—I can't ask you that question, but we have independent evidence to indicate that all of the actions were undertaken, including the media campaign to influence the Congress, the ads not only on SDI but on others, that polling took place with regard to targeted Congressmen of both parties, et cetera.

And all of that is legitimate politics, unless government money was used, and that unless it was directed, as this memorandum would at least indicate, unless it was directed by some government official.

So, the question I want to ask you now is whether or not you know, or whether or not you ever directed Roy Godson to help raise money for the Contras?

Mr. MCFARLANE. I never directed Roy to do any such thing. I would be very surprised—in fact, I don't believe that Colonel North would get involved in anything like that. I expect, and I am sure that he welcomed whatever support may have come from private organizations for ads and things like that.

But I don't believe Colonel North ever became involved in polling or the kinds of things you mention here.

Mr. FASCELL. Do you recall a meeting in the White House with Colonel North, Roy Godson, and Terry Slease in the summer of 1985?

Mr. MCFARLANE. I heard about it yesterday. I don't recall it, Mr. Chairman. I am willing to say that it happened, but it doesn't ring any bells.

Mr. FASCELL. No. If you can't recall, you can't recall.

Is my time up? Thank you, Mr. Chairman.

Chairman INOUYE. Senator McClure?

Mr. MCCLURE. Thank you, Mr. Chairman.

Mr. McFarlane, there are a number of members of the committee—have expressed some interest with respect to how much detail you exercised in the oversight of Colonel North's activities. I think you characterized it earlier by saying yes, you knew or you believed that Colonel North was doing everything he possibly could to help the Contras.

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. So, to know that he did that and to know what he did in detail would be two different things?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. He said that he derived a lot of the specific authority by sending memoranda to superiors, whether it was to Don Fortier during his period of time as your deputy, or later directly to you. Now you have said, I believe, that you knew that there was a Contra support activity going on, isn't that correct?

Mr. MCFARLANE. I believe I said, Senator McClure, that I certainly knew the Contras were carrying on and continuing the struggle.

Mr. MCCLURE. There wasn't any secret about the fact that the President was in support of that?

Mr. MCFARLANE. Absolutely.

Mr. MCCLURE. He made speeches?

Mr. MCFARLANE. So did I.

Mr. MCCLURE. There was a certain amount of activity, both inside the White House and outside the White House, about the desire of the administration for the Contras to be able to hold on?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. And it was a very open statement of policy so far as the administration was concerned during that period of time?

Mr. MCFARLANE. Yes, it was.

Mr. MCCLURE. And it was no secret that the President was trying to do what he could to get Congress to vote again to reinstate aid?

Mr. MCFARLANE. That is correct, sir.

Mr. MCCLURE. And there was a lot of discussion inside the administration, I suspect, about how in order to get that accomplished?

Mr. MCFARLANE. That is right.

Mr. MCCLURE. That again was no secret?

Mr. MCFARLANE. That is correct, sir.

Mr. MCCLURE. But it doesn't necessarily mean you knew all the details of that—of what was being done? I want to—now you said you knew the Contras were hanging on, and I assume that you knew from that that the Contras were somehow getting supplies?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. Did you know that supplies were being flown to them?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. Did you know that supplies were somehow being dropped to them?

Mr. MCFARLANE. Well, they had to be.

Mr. MCCLURE. They had to be. So it doesn't surprise you to know that?

Mr. MCFARLANE. Not at all.

Mr. MCCLURE. A little bit earlier, in response to a question I believe by Senator Rudman, you were asked, did Ollie tell you that General Secord was involved? And you said, no, you didn't know that, you learned that later. But you must have known that somebody was involved?

Mr. MCFARLANE. Of course.

Mr. MCCLURE. That there was a resupply operation?

Mr. MCFARLANE. That is correct.

Mr. MCCLURE. And that somebody was flying supplies to them?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. So if—let me rephrase the question then. Did Colonel North ever indicate to you that he knew that that resupply operation was going on?

Mr. MCFARLANE. Well, of course. He reported the fact that airdrops were occurring, that some of them got through and some didn't, that shortages existed. I would not pretend ever that Colonel North wasn't in almost real time contact with the Contra leadership. And I knew that, and I approved that.

Mr. MCCLURE. It isn't something you would have told him you shouldn't know?

Mr. MCFARLANE. No, sir.

Mr. MCCLURE. Please don't talk to those folks?

Mr. MCFARLANE. That is correct.

Mr. MCCLURE. All right. I want to turn to one other thing, because I am not quite certain of the chronology or the timing of these events. The question was asked—you made a comment, and you obviously—one of the reasons you wanted to appear and testify today was to make certain that nobody believed you had anything to do with the idea of a privately funded, self-sustaining, extra-governmental covert capability?

Mr. MCFARLANE. Among other things, yes, sir.

Mr. MCCLURE. Yes. And if I recall correctly, the first time the use of funds from the Iran arms sales was suggested that it be used for private covert—for nongovernmental covert operations was when Mr. Nir was here at the end of December or early January 1985–1986. I think that is what Colonel North testified to.

Mr. MCFARLANE. It was after I left the government. Yes, sir.

Mr. MCCLURE. That would be after you left. And I am not—because there is a little bit of confusion about when that may have been first discussed. That is my memory of when it was first discussed according to Colonel North's testimony. And if my memory is correct and that is what his testimony was, that then would have been after you had left?

Mr. MCFARLANE. That is correct, sir.

Mr. MCCLURE. Again, another matter that came up in the questioning of Colonel North was with respect to the progress of the Iran initiative. As I recall the testimony, and again there is—I am not—perhaps I don't remember it quite right, that there had been a number of contacts between our government and the Government of Israel and certain people who had contacts in Iran during the fall and that some things had been done during August and September by the Israelis although we had not participated in that directly; is that correct?

Mr. MCFARLANE. Essentially, yes, sir.

Mr. MCCLURE. And that the initiative was in my words falling apart, and, as I recall, you went to I believe it was London early in December?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. And came back and said "This thing is a disaster, let's don't go any further with it." Do I overstate your report?

Mr. MCFARLANE. Well, I said essentially that I believed that the intermediary was unreliable and that we should not do business with him. That if ultimately we could get in contact directly with officials in Tehran that that might offer some hope. But I recommended against continuing to deal with Mr. Ghorbanifar.

Mr. MCCLURE. Had you had doubts about this prior to that meeting in December?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. Had you expressed those doubts?

Mr. MCFARLANE. Not in any effective way, I think.

Mr. MCCLURE. Well, apparently not in an effective way, because it went forward anyhow. But I—had you communicated to other people that you thought this thing wasn't working the way it ought to work?

Mr. MCFARLANE. Yes, sir.

Mr. MCCLURE. And the reason I asked that is because other people reacted, if indeed you said that, at that period of time—and I thought you had told us that you did—that kind of led into what I was trying to get at this morning, in my statement this morning, as to what caused other people to react.

And it seemed to me that what you had said earlier with respect to the difficulties of the first channel, the difficulties of making the contacts in a credible way, may have led other people to believe that the United States was about to break off the effort?

Mr. RUDMAN. If you would just suspend your answer one moment, the Senate is now having a vote. So that will explain the absence of the Senate panel. I would ask Chairman Hamilton to carry on, if he would.

Mr. MCCLURE. Thank you very much.

Do I overstate the concerns that you had or expressed during that period prior to the December meeting?

Mr. MCFARLANE. No. I think that is a fair description of it.

Mr. MCCLURE. Now, finally, one thing that perhaps we ought to get on the record is, I assume that Colonel North had asked general approval from you with respect to his activities in making speeches to various groups about the Contra effort, is that correct?

Mr. MCFARLANE. Yes, sir, it is.

Mr. MCCLURE. Was there a practice on your part of demanding or he receiving a specific authorization for a specific speech?

Mr. MCFARLANE. No, sir.

Mr. MCCLURE. So it was a rather larger or more general authorization and a more large understanding on your part of a course of activity, not a speech-by-speech approval?

Mr. MCFARLANE. That is correct, yes, sir.

Mr. MCCLURE. Thank you very much. Thank you, Mr. Chairman.

Chairman HAMILTON. Mr. Broomfield.

Mr. BROOMFIELD. Thank you, Mr. Chairman.

Mr. McFarlane, I appreciate your desire to return to the panel for further questioning of some of the unresolved issues. I have a series of questions I would like to ask you. When planning was done for the various direct and indirect arms transfers with Iran, what was the plan for handling the funds paid by the Iranians who received the arms, and what was your expectation at the time of how the anticipated funds would be handled?

Mr. MCFARLANE. Well, Mr. Broomfield, during the time that I was in the government, at no time did any U.S.-owned item go anywhere, as a consequence. Nor had anybody to my knowledge submitted a request for purchasing new items, although I expected they would very soon. That is a long way of saying that the expectation was that there would be a sale by Israel based upon their costing of what it required for them to come to the United States and purchase an equivalent replacement item and that we would sell the items from defense stocks at cost in a normal kind of FMS pricing system.

But I cannot say that it was ever—ever became an issue because we received no request while I was there.

Mr. BROOMFIELD. Did you or any officer or employee of the U.S. Government receive instructions from the President or anyone purporting to act on his behalf not to inform Congress or congressional committees of the secret Iran initiative or related activities?

Mr. MCFARLANE. It seems to me that at the July and August meetings in 1985, with the President and his Cabinet officers that Mr. Casey expressed the view that Congress should not be advised, and the President agreed with him, that—I don't recall any dissent from that position at the time.

Mr. BROOMFIELD. When Lt. Col. North told you while in Iran that funds received from the Iran arms sales would go to support the Contras, did you ever discuss this with Admiral Poindexter or others in the administration?

Mr. MCFARLANE. No, sir.

Mr. BROOMFIELD. Did you ever tell anyone in the administration, including Lt. Col. North, that there was a big problem with the concept of diverting funds in support of the Contras?

Mr. MCFARLANE. Not until November, 1986. No, sir.

Mr. BROOMFIELD. I think after listening to Lt. Col. North now for nearly 6 days, I have a couple of questions that go on—based on his testimony.

I would like to know, in retrospect, do you think your differences of recollection on several key factors with Colonel North is a matter of intentional misstatements on the part of Colonel North or an honest difference of opinion?

Mr. MCFARLANE. I don't think Colonel North would ever make a deliberate misstatement or a lie. I don't believe that. That leaves only the possibilities of differing interpretations between us, and I think that must account for these disagreements. They are certainly not ones that are malicious, I am sure, on his part and don't derogate from what were his motives that were entirely patriotic.

Mr. BROOMFIELD. If there were misunderstandings about Colonel North's orders, do you consider that your fault as a supervisor, or did Lt. Col. North intentionally mislead you?

Mr. MCFARLANE. I believe that he is a thoroughly honest man of integrity and would not deliberately mislead me ever. I believe in earlier testimony I said that if he failed to inform me of something he was doing, which he thought might be questionable, he probably did it to protect me. So I would not hold him to account even if there were voids of information.

Mr. BROOMFIELD. Thank you very much.

Thank you, Mr. Chairman.

Chairman HAMILTON. I am informed that there is a vote now taking place in the House as well.

Mr. Foley, do you want to be recognized at this time, or would you prefer that the chair call a recess?

Mr. FOLEY. Thank you, Mr. Chairman. If possible, I would like to be recognized now.

Chairman HAMILTON. Mr. Foley is recognized for 10 minutes.

Mr. FOLEY. Mr. McFarlane, did you give Colonel North a direct instruction from the President that he should keep the Contras together, body and soul, as a viable fighting force?

Mr. MCFARLANE. I did, and I explained what I believed that meant, that it was to spend his time trying to turn them into a credible political organization by incorporating acknowledged leaders within Nicaragua into the military leadership and also working with him to come up with a platform so that they would be seen by Congressmen as a political movement of real substance interested in negotiation, and he did that. And I think if anything is missing from the past 6 days, it is to acknowledge the enormous diplomacy of Colonel North in being able to pull off what was an extremely solid platform and peace proposal.

Mr. FOLEY. Was the instruction also to assist the Contras in a military way to keep them as a viable military fighting force in the field?

Mr. MCFARLANE. No, sir.

Mr. FOLEY. Did you receive this instruction from the President personally?

Mr. MCFARLANE. Clearly the President wanted the Contras to survive and stated so to me many times, and I translated that expressed wish of the President to Colonel North and others on my staff. He also, the President, expressed this to the Secretary of State and Defense, Director Casey—it was no secret.

Mr. FOLEY. So he, the President, told you he wanted to see this result occur, and you translated that into a directed—directed to Colonel North, is that correct?

Mr. MCFARLANE. That is correct.

Mr. FOLEY. The President didn't say, "Tell Colonel North that I want him to do this"?

Mr. MCFARLANE. No, sir.

Mr. FOLEY. When did the President make this general statement to you that you felt necessary to pass on to Colonel North? Do you remember the timeframe of it?

Mr. MCFARLANE. Well, sir, it must have been in the days leading to Boland II. The President was often commenting upon his concern over the results of congressional restrictions over time, but became particularly worried about it as the time of the total cutoff of funding in October of 1984, or 1985—no, 1984—came about and was hopeful that they would survive until we could persuade the Congress to turn it back on.

Mr. FOLEY. Did you ever have any discussion with the President about third-country funding for the Contras?

Mr. MCFARLANE. Only when I reported the results of what had been offered by Country Two.

Mr. FOLEY. Colonel North testified that you specifically authorized him to direct the air resupply of arms to the Contras, to coordinate the procurement of such arms, and to solicit money from friends from foreign countries in order to provide the funds necessary to purchase these arms.

Did you authorize any or all of these activities?

Mr. MCFARLANE. No, sir.

Mr. FOLEY. You have no recollection of any specific directive to Colonel North to carry on the activities I have just stated?

Mr. MCFARLANE. Mr. Foley, I have explained what I told Colonel North to do and that was all that I told him to do, but I hold myself accountable for the fact that as a very, very energetic person, he would go beyond simply advising to the point of participating.

Mr. FOLEY. I take it from your previous answer that the President at no time told you to authorize Colonel North to conduct such activities?

Mr. MCFARLANE. No, sir.

Mr. FOLEY. Did you authorize Colonel North to discuss with David Walker activities inside Nicaragua?

Mr. MCFARLANE. The name Walker rings a bell. I associate it with a separate matter I think that concerned Blowpipes after I left the government. I don't know if that is what you refer to or not.

Mr. FOLEY. Do you recall with Colonel North or otherwise attempting to assist the Contras in obtaining Blowpipes?

Mr. MCFARLANE. No, sir, I took no action on it.

Mr. FOLEY. Did you ever ask the President to intercede with any person for the obtaining of Blowpipes for the Contras?

Mr. MCFARLANE. No, sir.

Mr. FOLEY. Colonel North testified that you authorized him in 1985, to pass military intelligence from the Central Intelligence Agency and the Department of Defense to the Contras.

Do you recall doing so?

Mr. MCFARLANE. No, sir, but I do recall the change in law which made possible the passing of intelligence in 1985.

Mr. FOLEY. During the period when it was prohibited to the CIA to pass intelligence to the Contras, do you ever recall suggesting that Colonel North could pass such information after obtaining it

from the Central Intelligence Agency, thus diverting from them or circumventing the restrictions of the law?

Mr. MCFARLANE. I don't recall any such authority.

Mr. FOLEY. Mr. McFarlane, what is the authority of the National Security Adviser and his staff to conduct covert activities?

Mr. MCFARLANE. Mr. Foley, there is no express charter. The National Security Council staff is provided for in law. It is to serve at the President's pleasure and in accordance with his wishes.

Mr. FOLEY. Isn't it true that the Central Intelligence Agency is the only agency authorized to conduct covert operations unless the President directs otherwise?

Mr. MCFARLANE. I think that is fair, yes, sir.

Mr. FOLEY. What is the authority of the National Security Council staff to engage in negotiations with foreign officials and agents, to sell U.S. arms, to have discussions of trading for hostages?

Mr. MCFARLANE. I think dealing with foreign representatives of any kind is the responsibility of the Secretary of State and the Department unless the President directs otherwise.

Mr. FOLEY. The authority derives from the President, does it not?

Mr. MCFARLANE. Yes, sir.

Mr. FOLEY. And only activities directly or otherwise authorized by the President allow the National Security staff to engage in those activities; isn't that correct?

Mr. MCFARLANE. Their activities must surely be compatible with Presidential directions, yes, sir.

Mr. FOLEY. At any time in which you were the National Security Adviser, did you have the sense that the National Security staff was being used to—by the President or others to circumvent the usual authority of the Department of State or the Department of Defense?

Mr. MCFARLANE. No, sir, Mr. Foley. If anything, I think that I and many members of the NSC staff shared a frustration over the difficulty in getting those people who should have been chairing meetings, making policy, bringing people together from State, Defense, Treasury, CIA, throughout the government, to do it.

The way in which a President organizes his administration is subject to options, and it has been tried several ways. But in this administration the President designated the Secretary of State and for him his assistant secretaries as the ones who would chair the meetings designed to collect everybody in the Government with an interest, and forge policy. And there were seven or eight of them. Each region of the world had one, political military affairs had one, and so forth and so on. And it was a difficulty expressed by many people from Defense, my own staff, CIA, and elsewhere in getting a meeting even called, because it is true, those are not fun meetings, people disagree and it leads to sharp conflict.

But that is the nature of government and the job is to get those disagreements written down and elevated to the President so he can decide.

It was very, very hard and frustrating in trying to get that done.

Mr. FOLEY. Thank you, sir.

Mr. COHEN. I would like to yield to the distinguished chairman of the committee.

Chairman INOUYE. Mr. McFarlane, I wish to advise you that by coincidence, both Houses are having votes at this time. They did not walk out on you. We are required to cast our votes, They will be coming back sir.

Mr. COHEN. Senator Sarbanes.

Mr. SARBANES. Thank you, Mr. Chairman.

Mr. McFarlane, Colonel North repeatedly asserted before the committee over the last few days, and I am simply quoting him now, but—I mean one time, but he said it many times, "I never carried out a single act, not one, in which I did not have authority from my superiors."

Of course, during the time you were the National Security Adviser, you were his superior and leaving aside for the moment your deputy, who would be above him in the chain of command, Colonel North's superiors were essentially you and in turn the President, would that be correct?

Mr. MCFARLANE. That is correct.

Mr. SARBANES. I take it you take issue with this statement that he never carried out a single act, not one, which did not have the authority of his superiors? I take it your testimony is that you did not authorize all of his acts; is that correct?

Mr. MCFARLANE. I do. But, Senator Sarbanes, I think that in saying that I did not authorize many of his activities that I can believe that Ollie North testified here in good faith, believing exactly what he said.

The fact that his own judgment about what fell within the scope of the authorities I gave him differs from mine doesn't mean that he has come up here and told you something that was false.

I think, however, that it is useful for the public and colleagues perhaps to just stop and think a couple of minutes about not what I say or Ollie says, but the objective data about what happened and when it happened and what moneys existed and where did they come from.

For example, I think by Colonel North's testimony that he asserts that the organization that was used to help with Contra resupply didn't go into—in fact, didn't get any money, if I understand correctly, until November of 1985.

That was while we were getting ready for Geneva and within 3 weeks I resigned.

The facts and data and reports and evidence that has been reviewed here deal foremostly with activities that occurred in 1986, and so it is an entirely reasonable question, but apparently from what the record shows, most of the activities are activities that occurred after my time.

Mr. SARBANES. Let me go back to your time and let me sharpen the questions a bit.

Colonel North said here that in the early days of 1984, when it was seen that money was running out, there were discussions within the administration as to the alternatives and that Director Casey suggested General Secord to him as a person who could, acting outside of the Government of the United States, provide assistance in this Contra support effort. And he then said, "The person who suggested General Secord to me, and I then took the name to Mr. McFarlane, was Director Casey."

Now, I take it it is your testimony that you didn't know about General Secord's role in any of this until the London meeting in December of 1985; is that correct?

Mr. MCFARLANE. That is correct, Senator Sarbanes, and I think that the statement is also reinforced by the facts that are on the public record.

Specifically, in 1984, to my knowledge, there was no meeting or deliberate plan developed to plan for the contingency of a congressional cutoff.

The reason why you wouldn't need to do that was because as we have learned separately a country, a second, third country had volunteered support that continued to sustain the needs of the Contras.

That same country continued that into 1985, so as a practical matter at least from my point of view, there wasn't any need for there to be some new creation, because the funding level was carried on.

Mr. SARBANES. Did the account number in which these countries that were being solicited, were to deposit their money, come to you from Colonel North?

Mr. MCFARLANE. Yes, sir, I testified to that.

Mr. SARBANES. And did Colonel North solicit third countries for money with your authorization?

Mr. MCFARLANE. Did he solicit from third countries——

Mr. SARBANES. With your authorization?

Mr. MCFARLANE. No, sir.

Mr. SARBANES. Well, now, Colonel North said—he was asked, "Mr. McFarlane has testified that he gave you instructions not to solicit money from foreign countries or private sources. Did he give you those instructions?" And then Colonel North said this litany: "I never carried out a single act, not one that did not have authority from my superiors," and it was then pointed out that that wasn't the question. The question was did McFarlane give you such instructions. He said, "no, I never heard those instructions." These were instructions from you not to solicit money from foreign countries or private sources.

As I recall your testimony when you appeared before us, it was your position that you had given such instructions repeatedly and explicitly to all members of the National Security Council staff, is that correct?

Mr. MCFARLANE. It is and I can identify with certainty an occasion where Colonel North and I talked about the several speeches, which I encouraged, and exactly what happened at each one of them and he explained to me that he at no time was party to taking of money or even facilitating getting it from the potential giver to a bank account and so forth. And quite honestly trying to put myself in his position I could imagine wherein that would have been very hard to do. And I said look Ollie, with some fairly candid Marine Corps expletives, this is Bud, this is me, this is not some Member of Congress—what is the story? Are you out raising money? And he said I have never in any fashion breached the law concerning any activities, nor have I ever raised money.

It was very emphatic. I believed it.

Mr. SARBANES. He has even testified here that he was authorized by you, and I will quote him—"I was authorized to have a meeting in this particular case, in specific by Mr. McFarlane for the purpose of talking to the man about a suggestion that had been made to him by others and to encourage that process along and I did so. Now that process was seeking money from a foreign country. And eventually he was asked as a result of this line of questioning. "I take it you are saying not only did Mr. McFarlane not instruct you not to seek money from foreign countries, but that he was aware of each and every one of your actions to obtain money from foreign countries and approved of it."

Colonel North's answer to that was: "I believe so, yes."

I take it that does not square with your recollection of what took place, is that correct?

Mr. MCFARLANE. That is correct, Senator Sarbanes.

Mr. SARBANES. Let me ask you, Mr. McFarlane, did you tell the President about the resupply operation?

Mr. MCFARLANE. I told him that they were being resupplied, buying things, getting deliveries, yes, sir.

Mr. SARBANES. Did you tell the President how it was being done?

Mr. MCFARLANE. I did not. My own assumption was that they were buying things the same way they had for years and it wasn't a matter of great importance to the President. It would have been if this is your point, had there been a member of his administration that was doing it. I didn't believe that there was.

Mr. SARBANES. Did he know of North's activities?

Mr. MCFARLANE. Not from me, no, sir.

Mr. SARBANES. But do you know whether he knew of them through someone else, either from North directly or from Casey?

Mr. MCFARLANE. I have no reason to believe that he did, no, sir.

Mr. SARBANES. Did the President know that other countries were being solicited for money?

Mr. MCFARLANE. No, sir.

Mr. SARBANES. Of course he knew one country was because you testified to that as I recall, but aside from that one country, which made a very large financial contribution, did he know of the other countries that were being solicited for money?

Mr. MCFARLANE. Not to my knowledge. Of course it is useful to note that the report to the President in 1984 of the volunteering by the other country to give that money was at a time when it was not foreclosed by law.

Mr. SARBANES. Was the President aware that at a time when money was solicited from other countries—permitted for humanitarian purposes, it was in fact used for arms?

Mr. MCFARLANE. That was after I left government, sir. I don't know that.

Mr. SARBANES. You were not involved with that. I see my time is up. I just want to put one more question to you. It was suggested in an exchange this morning with Colonel North that the defects in the delivery of the HAWK parts in November of 1985 on the part of Israel may have reflected a design to draw the United States into that supply effort, in other words to bring us into the web. You were at Geneva and of course made the phone call to the for-

eign minister of a European country to expedite the transit when the problems occurred.

Do you have any reason to suspect that this was an effort to involve the United States in that regard?

Mr. MCFARLANE. I don't have any conclusive evidence, Senator Sarbanes, that that was the motivation; no, sir.

Mr. SARBANES. Thank you, Mr. Chairman.

Mr. COHEN. Mr. Courter.

Mr. COURTER. Thank you, Mr. Chairman.

Good afternoon, Mr. McFarlane.

Mr. McFarlane, were you aware of the fact that Oliver North had frequent communications both in person and by telephone with Director Casey?

Mr. MCFARLANE. Well, I knew that Colonel North met with him more than other of my staff members did. If I had to kind of put a quantity on it I would have said that it didn't seem to me from what I knew at the time like it was terribly unusual. I say by that once a week or so. I don't really know how many times he met with him.

Mr. COURTER. But you were aware of the fact that those meetings were going on?

Mr. MCFARLANE. Well, he would tell me about them about once a week or whenever it happened.

Mr. COURTER. When he told you about his meetings with Director Casey, did he indicate to you the substance of those meetings, what was said?

Mr. MCFARLANE. Occasionally, yes sir.

Mr. COURTER. Did you as well have conversations with Director Casey about the conversations that he had with Oliver North?

Mr. MCFARLANE. No, sir, and that has been kind of a curious issue in all this, because I find a little trouble to imagine that the Director was as engaged—I guess maybe partly because it is embarrassing to me if that is true. But the question that comes to me is if Bill Casey was going to do all the things he was charged with, why didn't he tell me? Was I a threat? And I just don't understand. He came to meet with me every week and his Deputy was with him and so was mine, so they weren't one-on-one meetings. But he never told me anything about Ollie North except perhaps to complain, and I got the impression at the time that his complaint was kind of for John McMahon's benefit, that Bill's heart really wasn't in it.

Mr. COURTER. So you knew that Oliver North would meet with Casey and Oliver North would explain to you once a week, or occasionally, what the substance of that conversation was. But you didn't have direct communication with Casey about the substance matter of their meetings?

Mr. MCFARLANE. No, sir.

Mr. COURTER. You indicated, from my recollection, it feels like a number of months ago now when you testified, a lot has gone over the bridge. You indicated that it was your recollection and your opinion that the Boland Amendment covered the National Security Council, is that correct?

Mr. MCFARLANE. Yes, sir. It was not a legal judgment, but one that I thought the only politically sensible course.

Mr. COURTER. You also indicated that you had not read nor was it brought to your attention the fact that the Intelligence Oversight Board wrote an opinion that indicated that the National Security Council was not covered by Boland, you were unaware of that opinion?

Mr. MCFARLANE. I was unaware of it.

Mr. COURTER. Did you in writing ever indicate to those people in your office while you were the head of the National Security Council of your opinion that the Boland Amendment covered the National Security Council?

Mr. MCFARLANE. No, sir, I never did. But I would like to add that if you are a member of the staff and you are sitting there and you hear the boss come to the meeting once a week and harang and pound the table about how hard we have got to try to overturn the Boland Amendment, what other conclusion is possible? I didn't like it. I wanted to get rid of it. We fought like crazy to get the votes. If it didn't apply to us, that was a lot of wasted effort.

Mr. COURTER. Well, I can—not to disagree with you at that particular time—or your conclusions. But I can think of another reason why even though it did not apply to the National Security Council you would want to get it overturned, because it would make the support of the Contras just a lot easier if you could use the CIA, if you could use the Defense Department, if you could use appropriated funds—you understand what I am saying.

Mr. MCFARLANE. Yes, sir.

Mr. COURTER. It is not inherently inconsistent to say that the Boland Amendment applied to—did not apply to the National Security Council, and also advocate in the strongest terms that nevertheless it should be changed?

Mr. MCFARLANE. I understand what you are saying, sir.

Mr. COURTER. Thank you. Did you per chance this morning, I believe it was this morning, hear the presentation that Colonel North gave when he went through what he characterized was his standard statement about the threat in Central America?

Mr. MCFARLANE. I heard much of it, yes, sir.

Mr. COURTER. Did you hear—that which you heard, did you gather from that, that that was a request for money, did you hear the word "money" in it?

Mr. MCFARLANE. No, sir.

Mr. COURTER. Did you hear the word "solicitation" in it?

Mr. MCFARLANE. No, sir.

Mr. COURTER. If Oliver North gave that type of pitch and statement to various groups in Washington and around the country, would you say that that was appropriate and proper and consistent with your knowledge of the type of information he was giving to the groups that he met with?

Mr. MCFARLANE. Yes, sir, I do, and I hope that these proceedings don't kind of put a black mark on the very idea that State Department and NSC and Defense people ought to get out—indeed it is your duty to get out—around the countryside to every Rotary Club from Des Moines to Minneapolis and try to explain what the dickens we are trying to do. Ollie did it better than anybody I have ever seen, and he deserves a lot of credit for it.

Mr. COURTER. We also, at least, I agree that he did it better than anybody I have ever seen.

Was his statement in support of the Democratic Resistance in Central America that you heard partially when he held up the slides—was that similar to the type of statement that you would make yourself when you spoke to these groups?

Mr. MCFARLANE. Yes, sir.

Mr. COURTER. Directing your attention, Mr. McFarlane, to another incident. Now this is the time that you were asked, and did go, at a great deal of personal risk to Tehran. Lt. Col. North was with you at that time. And there seems to be a dispute between Colonel North's testimony on this point and yours, and I just wanted to clarify it. It was my recollection of your testimony—was that there were meetings that Oliver North had, or apparently was having when you went to sleep that night in Tehran. And that you were awakened by Colonel North and you were surprised to know that a second plane was approaching the point of no return that had additional military equipment on it.

Mr. MCFARLANE. That is correct.

Mr. COURTER. Do you recall that testimony?

Mr. MCFARLANE. Yes, sir, I do.

Mr. COURTER. It was Oliver North's testimony about that incident that that was part of the original plan, that the second plane would have to leave, that there would be a window of opportunity some time late in the evening or early in the morning during which a final decision would be made, and that if it was made to abort the program and the mission then the plane would be told to turn back. That was his testimony. Is that in your opinion today radically different, substantively different than yours?

Mr. MCFARLANE. I don't think it is radically different, Mr. Courter. The only point that is perhaps worth noting is that if a plan had existed, and I think to the extent that hours of take-off and transit and landing of each aircraft were planned, obviously to coincide with hours of darkness and so forth—also it has to acknowledge that if you go in with step 1 of the plan and things go wrong, then step 2 you don't take, and that is the point. It was very obvious to all of us that the Iranians had breached their end of the bargain. I agree today in hindsight that it is their own communications problems that led to that, but nevertheless it had broken down and so to go forward automatically with a second step we just didn't do or didn't intend to do.

Mr. COURTER. Is it your testimony that you advised Oliver North of the fact that we must abort the mission and that the mission was, in fact, aborted?

Mr. MCFARLANE. Yes, sir.

Mr. COURTER. Mr. McFarlane, you indicated that your general instructions and perhaps oft-repeated instructions to Oliver North when you were the head of the National Security Council was that you wanted the movement to be as credible as possible.

Do you recall that statement?

Mr. MCFARLANE. Yes, I do.

Mr. COURTER. And you knew the type of individual Oliver North was, highly motivated, highly dedicated, highly disciplined, and

would, in fact, do everything in his power in order to carry on that general directive.

Mr. MCFARLANE. Yes, I think that is a fair assumption.

Mr. COURTER. Are you, therefore, surprised to learn about Oliver North's untiring efforts on behalf of the Contras, the trips he took to Central America, the meetings he had in this country and others on their behalf and all that he did in order to make sure that your directive giving credibility to that movement was carried through?

Mr. MCFARLANE. I think that I agree with you. And any task that I ever gave Colonel North, he put into it a 100 percent of his effort that was far beyond what anyone could ever expect from even a superior staff officer.

I think, however, that I did expect and that he knew that I expected him to tell me about things that were new, different, potentially illegal.

I have to say, however, that at the end of the day, if he did something that transgressed the margin of law that he did it—keeping it quiet from me, to protect me. And I think ultimately that I am responsible for that.

Mr. COURTER. I see that my time is up.

Thank you, Mr. McFarlane. Thank you for coming back to testify before this committee.

Mr. MCFARLANE. Yes, sir.

Mr. COHEN (presiding.) The Chair would like to announce there has not been a palace coup nor has the Senate decided to replace one ethnic chairman with another. But while Chairman Inouye was voting, I assumed his Chair. I found it quite comfortable.

I would now like to yield one minute to the former chairman of the committee.

Chairman INOUYE. I thank you very much.

Mr. McFarlane, a question has been bothering many of us here. I am not certain whether you can provide the answer. But when this matter exploded on the front pages last November, and events began to proceed, the Admiral, Admiral Poindexter, was permitted to resign, a rather honorable step.

On the other hand, to the surprise of many, Colonel North was, as he says, dismissed.

Do you know why Colonel North was dismissed and the Admiral was given the honorable path of resigning?

Mr. MCFARLANE. I don't know, Mr. Chairman. I wasn't there. I think it was a tawdry way to treat a man like Ollie.

Chairman INOUYE. You don't think it was the right thing to do?

Mr. MCFARLANE. No, sir, I don't.

Chairman INOUYE. I think all of us here agree with you.

Thank you very much.

Chairman HAMILTON. Mr. McCollum?

Mr. MCCOLLUM. Thank you, Mr. Chairman.

Mr. McFarlane, I know it has got to be a stress to come back here twice before us, but we appreciate very much your being here.

I have just some questions to clarify in my mind matters that fall out of the November 1985 HAWKs arms shipment.

As Colonel North has described it to us, the United States involvement in that shipment was a very sensitive matter. If I am not mistaken in characterizing what he said to us, he said that this

was something which we did not want to reveal, it was very tightly held because of the fear of jeopardizing the relationships that they—ongoing contacts with Iran might yield.

That indeed the Iranians were very unhappy with the shipment, had expressed their great displeasure with that, and that a good deal of the effort to keep the United States involvement private and quiet and away from Congress and everybody else and just not discuss it was because of the need to protect our interests in that regard. And for fear that if it came out they were so mad about that shipment, they might cause somebody over in Lebanon or somewhere else to take action against our hostages and lives would be jeopardized.

I think I am stating it roughly. I am not nearly as eloquent about that as he is.

Is that expression of concern over the 1985 shipment and our involvement in it a statement that is consistent with your recollection of the concerns at the White House during the time you participated in that matter and afterward?

Mr. MCFARLANE. I think it is, Mr. McCollum. My own superficial judgments, because I wasn't very close to the November shipment, are these: that there wasn't any malice or deception intended, that the fact that they were shipped things which didn't meet the needs that they believed they had were a consequence of the lack of knowledge, really, of people who apparently were involved, not Colonel North, but on this end, and in Israel and in Iran.

Mr. MCCOLLUM. Right.

Mr. MCFARLANE. But there wasn't any intended duplicity or deception about it. It was too bad.

Mr. MCCOLLUM. But, after the fact is what I am talking about. After the fact it had occurred and the Iranians got mad about it and they didn't know apparently about our involvement. There was an effort to conceal our involvement—more designed to keep the Iranians and others who might be taking a bad look at this, if they knew we were involved, from knowing about it. Not so much to conceal it from Congress and the public, which ultimately did occur, but rather the purpose was to conceal it from the Iranians and to conceal it from others—for concerns over what might be repercussions of their learning of our involvement.

That is what I want to know, if that was consistent with your understanding and your concerns at the time and afterward?

Mr. MCFARLANE. In 1985, you are talking about?

Mr. MCCOLLUM. In 1985, and what happened afterward, to the degree you were aware and followed. I know you were out of office at that time, but you certainly were closely attuned to some of this since you went to Tehran and so on.

Mr. MCFARLANE. Well, to the extent I really have any knowledge about it, that seems a fair description to me.

Mr. MCCOLLUM. Well, that leads me to ask some more questions about this.

In giving the testimony before us, Colonel North talked a good deal and was asked a lot of questions about a series of chronologies that were prepared in November of 1986 and a little earlier, October, I guess it was, is when they were prepared.

Work started to try to get what was going on—what was our role with all of these things written down? Many, many different versions were prepared.

At one point particularly, as I recall discussing the statements that were somewhat misleading and the chronologies that we have here before us and so on with regard to these shipments in November 1985, these HAWK shipments. He said that he initially wanted to put forward the truth, put a truthful chronology out, but he specifically said, as—and I wrote my notes at the time—that this version was altered at your request.

Do you recall that and is that consistent with your recollection?

Mr. MCFARLANE. I recall the statement very well and it is a very clear and sharp disagreement between Colonel North and myself. It simply isn't so.

Mr. MCCOLLUM. Let me move on to something else related again to that November shipment. The Attorney General interviewed you from what he—at least what Mr. Cooper described to us, and I think he said he did in some form public comment though he hadn't testified before us yet, on Friday November 21st, after he got a charge from the President to conduct a very quick, small investigation into what had apparently become somewhat an alarming discovery about the involvement that was going on and the degree of our involvement in some of these things. And according to Mr. Cooper's testimony, the Assistant U.S. Attorney who was up here a week or so ago, he says—and we have the notes, so I am really just paraphrasing from the Attorney General's notes and Mr. Cooper's reading them and interpreting them with us. That in that interview with you on the 21st, that you related that you did not know there were HAWK missiles or missile parts or the real contents of the November 1985 shipment to Iran until you came back aboard for the Tehran mission in approximately May of 1986. That does not comport with what my understanding was from your earlier testimony or whatever. It seemed to me that at that time that you were aware of the degree of our involvement and you certainly were aware of what was aboard that shipment back in the time it took place in November of 1985.

Do you recall telling the Attorney General in that interview in November of 1986 that you did not know that there were HAWK missile parts or what the real shipment was until May of 1986?

Mr. MCFARLANE. Yes, I do. I remember it very well. And I am glad you asked, Mr. McCollum, because it is a very confusing story. The facts are these.

That in 1985, when the actual shipment occurred, I received two or three phone calls in Geneva and from start to finish, those calls were the extent of my involvement with the entire enterprise. Colonel North resolved it and did it very well, in my judgment, took a very confusing situation and sorted it out, and got the problem solved. Throughout the time, my own interface with him was in two phone calls and I was otherwise not even in Washington, D.C. before, during, nor after it occurred for about a week.

1986 comes. And right after the disclosures in the Lebanese newspaper, within 2 or 3 days, I sat down and I sent a summary version to Admiral Poindexter by PROFs, November 7th, it was, of how I recalled the whole Iranian initiative start to finish. In that I

mentioned first the decision in August and September, second the shipment in August and September, third the trip to London. I didn't even mention the HAWK shipment because I didn't even remember it.

Now over time, in 1986, after November 7th, as within the White House they began to prepare chronologies apparently without my participation. They reached a point on November 18, where Admiral Poindexter at lunch with me asked whether I would come in and see what had been put together to try to help them make sure it was accurate. Colonel North had called me and asked the same thing. He stressed that since he had not been involved in the early stages of it, he could not confirm or deny some of the early parts of the chronology.

I said that I would. And my total exposure to the enterprise consisted of coming to his office the night of November 18, and for about 3 hours time working mostly on an opening statement the President was to use the next day. However, when that was finished, Colonel North and I began to go through a draft that had been prepared, a master, if you will, and I began to point out and he did errors from the beginning. I pointed out that the reference, for example, to our having been alerted to this Iranian interest in 1984 seemed strange to me. I'd never heard that, and so on.

Finally, we got down to the point in November describing a shipment of arms. Colonel North said to me, he said you know, back in November of 1985, at the beginning, I thought this was oil-drilling parts, and I don't think anybody in the Government figured out that it was finally HAWKs until January of 1986. Well, if I had stopped then and tried to parse my own memory on how I thought about it, I probably would have recalled that in Geneva—whatever we thought at the beginning—we did finally learn that it was HAWKs. At the time I sat down and I began to write out the summary of changes that I would recommend. And when I got to that one, because I didn't have myself any firsthand recollection about oil-drilling parts, I couldn't subscribe to that on my own behalf, but I did put down that we did have one shipment in August-September, a second in November of equipment, other transfers of equipment, but I would not adopt the oil-drilling reference.

Mr. MCCOLLUM. But when you got to the interview with the Attorney General——

Mr. MCFARLANE. That is correct. I'm coming to that.

And I left. I take it that on the 19th or the 20th, while I was out of town, other steps were taken to change the chronology and that the integration of a reference to oil-drilling parts must have been made the 19th or the 20th. I don't know. I didn't have anything to do with it. Apparently that was also introduced to Director Casey's testimony. Whatever. I was not there. However, I was, as you say, in the Attorney General's office where I conveyed to him what I had been told basically. Without any firsthand solid recollection of my own, I said that I recalled or believed that there must have been some report about oil-drilling parts which is what I had been told 2 days before.

At that point the Attorney General said to me, well, George Shultz believes that you told him in Geneva that it was HAWKs, and I said, I'm sure that he's right. In short, it was never an issue

with me about whether or not all of us in 1985 certainly did know that it was HAWKs. What I was conveying to the Attorney General was based upon what I had been told a year later about these events in which I was basically uninvolved.

Mr. MCCOLLUM. So what you are saying is that these notes may well reflect the additional——

Mr. MCFARLANE. Excuse me. There is one more point. I apologize, Mr. McCollum. I left the meeting with the Attorney General, went home, sent a PROF note to Admiral Poindexter reporting exactly what I had just done and I said, John, I've just spent 2 days—excuse me, 2 hours with the Attorney General.

Mr. MCCOLLUM. Seemed like 2 days, I'm sure.

Mr. MCFARLANE. And everything went fine, with one exception. He asked about a HAWK shipment in 1985 which still does not ring a bell with me.

In sum, after the total exposure that I had had in 1986, with the preparation of these chronologies, which was 2 hours, total of a week, I still could not remember the details of that shipment.

Mr. MCCOLLUM. Well, I want to make one thing real clear. We are talking about the Attorney General, if I might indulge the chairman just to follow up on the 1985 arms shipment question. The Attorney General, according to Colonel North—he assumed that the Attorney General knew about the '85 arms shipment, because of the Finding that I think was involved in that which occurred and may or may not have been signed and has been missing and so on. You have already testified a lot about this. So I am not going over all that again.

But, I am curious about, now that you have explained why the Attorney General on Friday, from your interview, might not have fully gotten the message on your knowledge of the whole thing, I am curious if you have any further light you can shed on whether or not the Attorney General contemporaneously with or shortly after the November 1985 shipment had reason to know about it? In other words, there is a lot of confusion on the record as to when he learned of the 1985 arms shipment; the testimony of Mr. Cooper and a lot of the track record from the Justice Department indicates that he really didn't know anything about it going into this weekend of the 20th and 21st, even though he certainly was involved in the January Finding, that did not specifically relate to that 1985 shipment.

Do you have any knowledge, did the Attorney General to your knowledge, was he made aware or was he not made aware, or do you just simply not know, of the 1985 shipment back when it was in your shop in November and December of 1985?

Mr. MCFARLANE. Mr. McCollum, I have no basis for believing that the Attorney General ever knew about it in 1985.

Mr. MCCOLLUM. All right. Thank you very much.

Thank you, Mr. Chairman.

Mr. COHEN. Mr. McFarlane, Oliver North testified that he believes he saw a Finding, the Finding that was drafted, the Sporkin Finding, in November of 1985, that he saw a signed version of that. Did you ever see such a signed Finding?

Mr. MCFARLANE. No, sir, I don't believe I have. I followed that part of the testimony fairly closely. And I, as I say, I wasn't in the

city, and it is true that the President was physically in Washington from probably November 21st, until the following Wednesday, I think. But that would imply that Admiral Poindexter forwarded it to him, and I doubt that he would have done that without letting me know.

Mr. COHEN. During the discussion of putting together this chronology, was there ever mention made or reference made to a Finding of November, of 1985?

Mr. MCFARLANE. No, sir. And inferentially, there is kind of a point that may be relevant. That is that in November of last year, when Admiral Poindexter called me in and at one point we came to the issue of what had occurred and when it—had it been authorized, he said, "Bud, the President did sign a Finding on this," in January of 1986, "so it is authorized."

Now that isn't conclusive, but he did not say that he ever signed one in November or December.

Mr. COHEN. Mr. McFarlane, a good deal has been said about Colonel North operating within established guidelines. Senator Rudman talked about the Dawa prisoners yesterday. I would like to call your attention to—well, I have here a copy of the Tower Report, but it would be pages B–115, and 116, of the Tower Report that I am referring to. It indicates on May 27, of 1986 at 5:00 p.m., you were part of the discussions with the Iranian representatives, and it is reflected on page B–115 when they asked about the question of the Dawa terrorists, I should say, held by—in Kuwait, it said that with regard to the problem raised by the captors, the Dawa prisoners, "It is much in our mind as has been raised before. Our position is derived from our policy which respects all nations' judicial policies. We cannot ignore their process. I am sad to report all of this. I respect what you said. I will report it to my President, but I cannot be optimistic."

That is what was said at that meeting that started at 5:00 p.m. this day. Apparently there was another meeting that evening around 9:30 p.m. at which you were not present. It is recorded on page B–116 of the Tower Report that Colonel North made a statement such as the following: "The United States will make every effort through and with international organizations, private individuals, religious organizations and any other third parties in a humanitarian effort to achieve the release and just and fair treatment for the Shiites held in confinement as soon as possible."

That is in direct opposition of what you had said at 5:00 p.m. or approximately thereof earlier that evening. I wondered, when did you learn of this change in representation being made to the Iranians?

Mr. MCFARLANE. When the Tower Report was published.

Mr. COHEN. That was the first occasion that it came to your attention that such a representation had been made to the Iranians?

Mr. MCFARLANE. Yes, sir.

Mr. COHEN. Is that true with respect to the need for Sadam Hussein to go?

Mr. MCFARLANE. Yes, sir.

Mr. COHEN. Was that something that you would have expected Colonel North to have reported to you during the flight back or shortly thereafter?

Mr. MCFARLANE. Yes, sir.

Mr. COHEN. Also, you indicated there was discussion between yourself and Colonel North, I believe it was on the 21st, about going out to his house, having a conversation, having to leave, and there was a discussion in the car on the way back into town about a shredding party.

Would you restate that for us, please, because Colonel North has indicated that no such statement was made.

Mr. MCFARLANE. It was at Mr. Ledeen's house on the morning of the 21st, a Friday. I got a call from Mr. Ledeen shortly before 11:00, I think, asking if I would come by to see him—I don't recall his saying that Colonel North would be there—because he wanted to summarize for me how he believed he had participated, and I went there at about 11:00.

We got down to sitting in the den at about 15 or 20 minutes later. He took 15 or 20 minutes to go through a summary, which was basically that he had been not a designated agent, but a person who did report information that he learned. And I said that I understood that to be essentially correct.

And about that time, Colonel North arrived in a taxi, and when he came in, he said to Mr. Ledeen that he was going to have to turn around and go back because something had come up at the office and that he would like to arrange to come back and see Mr. Ledeen later in the day, and he asked me if I would give him a ride back downtown. And I said that I was—that I would. And as we—I waited for him about another 5 minutes outside, and he came back out—and I don't have any absolutely rock-solid certainty of all the things we talked about, but I believe with confidence that he mentioned that he thought or he was worried about the fact that Mr. Ledeen had—might have gotten some profit out of the Iranian business. Which he has since said that he does not believe, and I agree.

We went on downtown, and I think we talked about our families. I think Colonel North made a reference to his confidence that things would go all right and ~~that he had~~ put his trust in the Lord in a spiritual reference and that he was concerned that it not involve the President and the President be protected. And, as I recall it, either then or perhaps in my office on Sunday, but on one of those two occasions, he said that there was going to have to be a shredding party.

I told him that, "To the extent you are worried about whatever involves me, Ollie, don't worry about it. Testify on the truth. You always did what I told you, I believe, and I will back you up." I dropped him off, and that is all I remember about it.

Mr. COHEN. What did you think he meant by protecting the President?

Mr. MCFARLANE. Well, I really believe, sir, that it was a kind of an instinctive statement by a subordinate about what he believed his duty to be. I don't think it was any more conspiratorial than that, that here he was, a lieutenant colonel, talking to someone, me, that he saw as his superior, and he wanted to acknowledge to me both that he believed he had an obligation to protect me and the President, and he did say that it is important that the President not be hurt by this.

And yet, I took it as really something that is instinctive among subordinates to the Commander in Chief, and not a conspiratorial reference.

Mr. COHEN. In fact, that was the instinct that led a group of you to try to reconstruct the chronology to be presented to the congressional committees thereafter, wasn't it?

Mr. MCFARLANE. I think that is overdrawn, but I think we all had an instinct that the President should not be harmed.

Mr. COHEN. There was discussion during the past few days about the eventual merger of two covert programs, one of selling arms to the Iranians; and No. 2, of providing munitions and money to the Contras.

At some point in time, there was a merger that occurred. And I was wondering from your—well, as a matter of fact, I think Colonel North characterized it as a neat idea proposed by Mr. Ghorbanifar and Mr. Nir. I believe he said that Director Casey was enthusiastic about it, that Admiral Poindexter approved, and he assumed that President Reagan also approved by virtue of the fact that he sent 5 different memos up the chain of command, and none came back with a specific instruction not to go forward.

But, I was wondering from your experience as the former National Security Adviser, has there been any case in your experience where there has been a merger of two covert actions so they become either mutually reinforcing or one supporting the other?

Mr. MCFARLANE. None that I recall. No, sir.

Mr. COHEN. As a matter of fact, isn't it a fairly standard rule that you keep covert actions separated so that you maintain a coherent and—coherent conceptual approach to the carrying out of that covert action, so that it not be impeded by any sort of a conflict of interest in the sense that one program's objectives might, in fact, undermine the success of the other?

Mr. MCFARLANE. Normally, that is true, yes, sir.

Mr. COHEN. In your opening statement today, you indicated that Congress started vacillating on the Contra aid program back in 1981, I believe. And if memory serves me well on this, I believe it actually occurred sometime later following the discussion, the disclosure of the mining of the harbors in Nicaragua. That is when the Boland Amendment started to surface for the first time.

You indicated that at that point, it became clear to you that there was little prospect for success, that, No. 2, it was politically unwise to continue, and No. 3, you indicated the President behaved as if he were not accountable.

I would like to give you an opportunity to explain what you meant by that. It is a fairly strong statement. I think we need to have some more detail.

Mr. MCFARLANE. I believe what I said was that I thought it would be imprudent to assert as a legal precedent that the President has exclusive authority to conduct foreign affairs, especially if he were to behave in a way that indicated he is not accountable to anyone.

So, it was a hypothetical construct, but I believe that to take the case in point, to assert that the President does have the authority to create entities that function without oversight of not only the Congress but not even oversight within the executive branch, is in

direct contradiction of the notion of accountability in any sense, and that that would weaken any effort to establish this larger principle that he is relatively uninhibited in the general conduct of foreign affairs.

Mr. COHEN. Mr. McFarlane, are you aware of any other case in which the administration has not given notice of a covert activity, other than the Iranian arms sales and whatever other programs were contemplated in that residual fund that was discussed during the past 2 days; are you aware of any other covert actions that were not given appropriate notification?

Mr. MCFARLANE. I know of none that are related to this fund that was created. I have a very faint recollection that years before this operation came up that there was one on which no notification was given. I frankly don't remember it.

It didn't make an impression on me, nor do I know whether or not the notification has been made since.

Mr. COHEN. I only raise the question because I think it is important that the American people understand that notwithstanding the notion that has been at least floated that Congress can't be trusted, that in fact, Congress reviews on a regular basis many, many covert actions, and they involve serious, life-threatening situations with substantial millions of dollars involved, and I think this administration has, during its term of office, two terms of office, has consistently notified the Members of Congress, and there has been no breach of faith and no disclosure pertaining to those covert actions.

Finally, I would like to commend you for your second appearance here today. I have had the pleasure of working with you, not only when you were on the staff working for Senator Tower on the Armed Services Committee, but also working really quite closely with you when you were at the NSC, and I must say that I found you always to be a man of great honor and integrity and moderation, I might add, someone who is really dedicated to trying to work with the Congress of the United States and not viewing us as the enemy. And I want to commend you for the testimony that you have given on at least three occasions that I am familiar with, before the Intelligence Committee, and also twice before this committee.

When we adjourn, we will adjourn until tomorrow at 9 a.m. at 2172 in the Rayburn House Office Building, and the committee will stand in recess.

One other announcement. That our first witness tomorrow at 9:00 will be Admiral Poindexter.

[Whereupon, at 7:00 p.m., the Select Committees recessed, to reconvene at 9:00 a.m., Wednesday, July 15, 1987, in Room 2172, Rayburn House Office Building.]

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